TAX-EXEMPT FOUNDATIONS

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HEARINGS

BEFORE THE

SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS AND COMPARABLE ORGANIZATIONS HOUSE OF REPRESENTATIVES

EIGHTY-THIRD CONGRESS

SECOND SESSION

ON

H. Res. 217

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TAX-EXEMPT FOUNDATIONS

MONDAY, MAY 10, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10 a. m., pursuant to notice, in room 1301 of the House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece, Wolcott, Goodwin, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Katharyn Casey, legal analyst; and John Marshall, Jr., chief clerk of the special committee.

The CHAIRMAN. The committee will come to order.

This is the first session of this special committee. This committee was created by House Resolution 217 of the 83d Congress, 1st session, which resolution describes its purposes as follows:

> The committee is authorized and directed to conduct a full and complete investigation and study of educational an philanthropic foundations and other comparable organizations which are exempt from Federal income taxation to determine if any foundations and organizations are using their resources for purposes other than the purposes for which they were established, and especially to determine which such foundations and organizations are using their resources for un-American and subversive activities; for political purposes; propaganda, or attempts to influence legislation.

If agreeable I would like to ask the reporter to insert the entire resolution in the record for information.

(The resolution is as follows:)

[H. Res. 217, 83d Cong., 1st sess.]

RESOLUTION

Resolved, That there is hereby created a special committee to be composed of five members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of educational and philanthropic foundations and other comparable organizations which are exempt from Federal income taxation to determine if any foundations and organizations are using their resources for purposes other than the purposes for which they were established, and especially to determine which such foundations and organizations are using their resources for un-American and subversive activities; for political purposes; propaganda, or attempts to influence legislation.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) on or before January 3, 1955, the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee, or any duly authorized subcommittee thereof, is authorized to sit and act during the present Congress at such times and places and within the United States, its Territories, and possessions, whether the House is in session, has recessed, or has adjourned, to hold hearings, administer oaths, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

Upon the passage of this resolution, the Sergeant at Arms of the House is authorized and directed to ascertain the location of all books, papers, files, correspondence, and documents assembled by the former select committee under H. Res. 561, Eighty-second Congress, and take same into his custody, depositing such records with the Clerk under rule XXXVI. The Clerk of the House is hereby authorized to loan such records and files to the special committee established by this resolution for the official use of the special committee during the Eighty-third Congress or until January 3, 1955, when they will be returned in accordance with said rule.

The CHAIRMAN. The study assigned to the committee is one of great importance. A similar committee had been appointed by the House during the previous Congress. I shall refer to it as the Cox committee. The time allotted to the Cox committee was short and inadequate. The present committee was created largely because of this, in order that the work of studying the foundations might be continued to a greater degree of thoroughness.

Because of the limitations of time and finances, we have decided at this stage to confine ourselves to only some sections of the general subject of foundations.

The term encompasses many types of institutions, such as universities, hospitals, churches, and so forth, except where peculiar circumstances dictate we shall limit our study to foundations as the term connotes ordinarily in the public mind. A definition is difficult, but to name examples of such institutions, such as the Rockefeller Foundation, the Ford Foundation, and the Carnegie Foundation will illustrate what we shall ordinarily mean when we use the term "foundations" in these proceedings.

Moreover, and again with an occasional exception, we shall chiefly confine our attention to the work of foundations in what are called the social sciences. Little criticism has come to us concerning research or other foundation activities in the physical or exact sciences, such as medicine and physics. We shall of course consider breaches of law, and abuses of what may be desirable conduct wherever we find them. We deem our function to be essentially and primarily factfinding.

The committee is unanimous in believing that foundations are desirable institutions, that they have accomplished a great amount of benefit for the people of our country, and that nothing should be done to decrease their effectiveness. There have been indications, however, that foundations have not at all times acted in the best interests of the people. This may sometimes happen by intention, but far more often probably by negligence. Sometimes, also, there seem to be certain weaknesses in the very structure or conventional operation of foundations as an institution which readily permit them to fall into sometimes accidental and unintended, but serious error. As some of these errors can be very serious and often fatal, it is our objective to try to seek out causes and reasons to the end, first, of disclosing pertinent material of which the foundations themselves may not always be aware;

and, two, of enabling them in consequence to take steps to avoid such errors in the future; and, three, permitting Congress to consider whether any remedial steps may be necessary or desirable.

There are, I believe, something like 7,000 organizations of the kind we refer to as foundations, and I believe they control some $7½ billion of capital, of which a handful of these foundations control about one-third. The size of the financial power which they wield measures the gravity of the problem involved. Moreover, stimulated by our high tax rates, more and more foundations are being created, and it is probable that the aggregate foundation control in the country will increase enormously in the ensuing years.

If we shall not spend much time in exposition of what great amount of good the foundations have admittedly done, it is because we deem it our principal duty fairly to seek out error. It is only through this process that good can come out of our work. It will be for Congress, the people, and the foundations themselves to judge the seriousness of such error, and to judge also what corrective means, if any, should be taken. Our intention has been, and I wish to make this doubly clear, to conduct an investigation which may have constructive results, and which may make foundations even more useful institutions than they have been.

In that statement, I have undertaken to set out the general purposes of the work of the committee.

The counsel has submitted some suggested rules of procedure, which have been sent to the members of the committee. Do the members of the committee feel that those rules are acceptable, or are there others you wish to prefer? If not, we can say they are adopted. What is your position?

Mr. HAYS. I do not see anything objectionable, but there might be something we might want to add to them. We can consider them adopted with the privilege of amending.

The CHAIRMAN. Without objection, then, the rules of procedure suggested by the committee will be adopted.

Mr. GOODWIN. The only suggestion I have, Mr. Chairman, is No. 1, with reference to a quorum, "one member of each political party." I assumed that there would be no politics in this investigation, and I would be satisfied if that said, "one member of both the majority and minority," just to leave the word "political" out.

The CHAIRMAN. I think that that suggestion is a good one.

Mr. HAYS. I have no objection.

The CHAIRMAN. With that modification, the rules, without objection, will stand as adopted, and if there are copies of these available for the press, of course the press will be entitled to have them, and they will be embodied in the proceedings.

(The rules of procedure are as follows:)

RULES OF PROCEDURE

The following rules have been adopted by the committee:

1. Executive and public hearings

A. General provisions: No hearing, either executive or public, shall be held unless all members of the committee have been notified thereof and either a majority of the members, or one member of both majority and minority membership is present.

B. Executive hearings:

i. If a majority of the committee believes that the interrogation of a witness in a public hearing might unjustly injure his reputation or the reputation of other individuals, the committee shall interrogate such witness in a closed or executive session.

ii. Attendance at executive sessions shall be limited to members of the committee, its staff, and other persons whose presence is requested, or consented to, by the committee.

iii. All testimony taken in executive sessions shall be kept secret and shall not be released or used in public sessions without the approval of a majority of the committee.

C. Public hearings: All other hearings shall be public.

2. Subpenaing of witnesses

A. Issuance of subpenas: Subpenas shall be signed and issued by the chairman of the committee, or any member of the committee designated by said chairman.

B. Service of subpenas: Every witness shall be subpenaed in a reasonably sufficient time in advance of any hearing in order to give the witness an opportunity to prepare for the hearing and employ counsel, should he so desire.

3. Testimony under oath

All witnesses at public or executive hearings who testify as to matters of fact shall give all testimony under oath or affirmation. Only the chairman or a member of the committee shall be empowered to administer said oath or affirmation.

4. Advice of counsel

A. At every hearing, public or executive, every witness shall be accorded the privilege of having counsel of his own choosing.

B. The participation of counsel during the course of any hearing and while the witness is testifying shall be limited to advising said witness as to his legal rights. Counsel shall not be permitted to engage in oral argument with the committee, but shall confine his activity to the area of legal advice to his client.

5. Statement of witness

A. Any witness desiring to make a prepared or written statement for the record of the proceedings in executive or public sessions shall file a copy of such statement with the counsel of the committee within a reasonable period of time in advance of the hearing at which the statement is to be presented.

B. All such statements so received which are relevant and germane to the subject of the investigation and of reasonable brevity may, upon approval, at the conclusion of the testimony of the witness, by a majority vote of the committee members present, be inserted in the official transcript of the proceedings.

6. Witness fees and travel allowance

Each witness who has been subpenaed, upon the completion of his testimony before the committee, may report to the office of the clerk of the committee, room 103, 131 Indiana Avenue NW., Washington, D. C., and there sign appropriate vouchers for travel allowances and attendance fees upon the committee.

7. Transcript of testimony

A. A complete and accurate record shall be kept of all testimony and proceedings at hearings, both in public and in executive session.

B. Stenographic transcripts of the testimony, when completed by the public reporter, will be available for purchase by all those who may be interested in procuring same.

The CHAIRMAN. The general counsel of the committee is Mr. Rene Wormser, and associate counsel is Mr. Arnold Koch. The director of research is Mr. Norman Dodd.

Mr. Wormser, what do you suggest this morning?

Mr. WORMSER. Mr. Chairman, by informal agreement with the committee, we have suggested that Mr. Dodd take the stand first, in order to give the committee a sort of full report of the direction which our research has taken, and the reasoning behind the various steps

in research, and also to give those interested, the public and the foundations themselves, some idea of what our main lines of inquiry in this investigation will be.

There are many what you might call collateral lines of investigation, and comparatively minor matters into which we may probably go, depending upon time. But I have asked Mr. Dodd to take the stand to give you what I think can safely be called our main lines of inquiry.

With your permission I would like to put Mr. Dodd on the stand.

The CHAIRMAN. Mr. Dodd, will you take the stand.

Do we have copies of his statement?

Mr. WORMSER. It has been physically impossible to get them out in final form at this moment. If you desire them, we can in the course of the afternoon prepare them for you.

The CHAIRMAN. I understood they would be available this morning.

Mr. WORMSER. Counsel did not have time to read them. It has been quite an effort to get this done so fast. We can have the necessary corrections made, and have it ready tomorrow morning, anyway. Miss Casey thinks we can have it ready this afternoon.

Mr. HAYS. Mr. Chairman, is there an agenda available at what witnesses will be called during the balance of the week and next week?

The CHAIRMAN. As I understand, Mr. Wormser expects Mr. Dodd to consume, in the scope of his portion of the committee's operation, this morning's session, and tomorrow morning's session, and possibly Wednesday morning's session, and that when Mr. Dodd completes his statement, then we will go over until, if agreeable with the committee, next Monday, so that Mr. Dodd will be the only witness for this period.

All right, Mr. Dodd.

Without objection, I think it is the understanding of the committee that all of the witnesses will be sworn. Will you raise your hand?

I do solemnly swear.

Mr. DODD. I do solemnly swear.

The CHAIRMAN. The testimony I shall give shall be the truth.

Mr. DODD. That the testimony I shall give shall be the truth.

The CHAIRMAN. The whole truth.

Mr. DODD. The whole truth.

The CHAIRMAN. And nothing but the truth.

Mr. DODD. And nothing but the truth.

The CHAIRMAN. So help me God.

Mr. DODD. So help me God.

TESTIMONY OF NORMAN DODD, RESEARCH DIRECTOR, SPECIAL COMMITTEE TO INVESTIGATE TAX EXEMPT FOUNDATIONS

Mr. WORMSER. Mr. Dodd, will you state your full name for the record?

Mr. DODD. Norman Dodd.

Mr. WORMSER. I think that you are sufficiently identified as the director of research for this committee. Will you then tell the committee the story of the direction of research, your approach to the problem, and the various steps which you took in conducting your research, please?

Mr. DODD. I will be very glad to, Mr. Wormser. May I read a brief statement beforehand?

Mr. WORMSER. By all means.

Mr. DODD. As the report which follows may appear to have stressed one aspect of foundation giving to the exclusion of others, I take this opportunity to call attention to the fact that innumerable public benefits are traceable to the philanthropy in which foundations have been engaged. Both in volume and kind, these benefits must appear to any student of this subject to have been without parallel, and in the vast majority of instances, they must be regarded as beyond question either from the standpoint of their conformity to the intentions of their donors, or from the standpoint of the truly American quality of their consequences.

I also wish to acknowledge the cooperation which without exception has been extended by foundations to the staff whenever it was found necessary to solicit information from them, either directly or in writing.

And finally, I take this opportunity to state that in the degree the following report appears to be critical, I sincerely hope it will be deemed by the committee, foundations, and the public alike, to be constructively so.

It was in this spirit that the work of which this report is a description was undertaken and completed.

Immediately the staff was assembled, studies were initiated to secure a full understanding of the ground which had been covered by the Cox committee, as disclosed in the hearings which it held, the files which it maintained, and the report it rendered.

To determine the dimensions of the subject to be investigated and studied, and to satisfy myself as to the contents and its probable ramification, to define the words "foundation," "un-American," "subversive," "political," and "propaganda," in the sense in which they were used in House Resolution 217, and if possible to dispose of their controversial connotations; to familiarize myself with the expressions of purpose customarily used in foundation charters.

I would like for a moment to go back to the first item which had to do with our effort to understand what the Cox committee had covered, in the way of this subject, and also what its files contained, and mention that one of the first situations or conditions with which we were confronted was the incompletion of the Cox committee files. That was so marked that we had occasion to report the nature of that incompletion to Mr. Snader, the Clerk of the House of Representatives.

Mr. Wormser, with your permission, I would like to read the letter which we sent to Mr. Snader as a matter of record.

Mr. WORMSER. Please do, sir. What is the date of that letter?

Mr. DODD. This letter is dated January 26, 1954, and it was forwarded to Mr. Snader by Mr. McNiece, our assistant research director, who devoted a portion of his time to an intense study of these files. This letter is to Mr. Snader, and from Mr. McNiece:

> On December 1, 1953, Mr. John Marshall and I visited you in your office to discuss the condition of the files of the Cox committee, as they were turned over to us. At this time we advised you that in our opinion the files were not complete, and it was understood that we would write you at a later date. We are now in a position to give some definite, but not necessarily complete, information on this subject.

A cumulative list of tax-exemption organizations, published by Internal Revenue Bureau: We have been advised that the foregoing publication of 1950 and the 1952 supplement were used as a check list in making up the mailing list for questionnaires submitted by the Cox committee. These publications are definitely missing from the files.

Large questionnaires: The Cox committee designed three sets of questionnaires, namely, "large" form A and form B. The large questionnaires were sent to a specially selected list of foundations, with large endowments. This list comprised about 50 of the large foundations, and questionnaires in duplicate were received from them. One complete set of these 50 duplicate questionnaires is missing from the files.

Hearing files: An index in one of the filing drawers is labeled "Hearing file," and we have no way of knowing positively what was in this section, but we have reason to believe that considerable material should have been in there. As received it contained very little, and some of the indexed folders were completely empty.

Statistical summaries: We know that considerable statistical work was done over a period of about 4 months, but we have found no statistical material whatever in the files.

Reports of interviews: In its final report, the Cox committee states that it "interviewed personally more than 200 persons deemed to possess pertinent information."

We would assume that a record of these interviews covering pertinent information should be found in the files. We have found very little material that would conform to this description.

Prepared statements: The Cox committee in its final report says that it had received the prepared statements of approximately 50 other persons deemed to have had some knowledge of the subject. We find relatively little material of this nature in the files. As outlined to you in our conversation, we are calling this to your attention, because we wish to have it understood that we cannot assume responsibility for such material as may be missing from the files as loaned to us.

The CHAIRMAN. I think that that is very pertinent, especially in view of the fact that this committee now has the responsibility for those files, and it is well for it to become part of the record, that all of the files were not in the custody of the Clerk of the House of Representatives when this committee was formed, and the committee took over only such files as were in his custody at the time.

Does the committee have any other comment?

Mr. HAYS. Does the witness intend to attach some special significance to this, or is it just merely a report of what this committee obtained?

Mr. DODD. May I answer, sir?

Mr. HAYS. Yes.

Mr. DODD. No significance; merely a matter of record and for purposes of protection on the basis we assumed we were responsible for them, Mr. Hays.

Mr. HAYS. I notice in the opening paragraph, and perhaps the second paragraph, it says, "In our opinion the files were incomplete." It seems to me an inventory of what we received would be about as much authority as we have over these files, one way or the other.

Mr. DODD. We were concerned with identifying, as best we could, the nature of the material that was missing, rather than just taking an inventory of what was there.

The CHAIRMAN. You may proceed.

Mr. DODD. Simultaneously, I undertook additional studies, one to determine the validity of the criticism which had been leveled against the work done by the Cox committee, and two, to substantiate or disprove the prevalent charge that foundations were guilty of favoritism in the making of educational grants, and three, to examine the

charge that as a result of this favoritism, a few selected universities and scholars had been able to dominate the field of research to their own advantage. Finally, it was to prove or disprove the accusations that foundations had been responsible for a deterioration in the standards to which our scholars and teachers had previously conformed.

Once the aforementioned studies had been completed, keeping in mind the 5 determinations which the committee had been directed to make, we concluded that the dimensions of the subject to be investigated and studied were some six to seven thousand foundations, capital resources approximating $7½ billion, annual disbursements in the form of grants amounting to at least $300 million, a time span of 50 years—that is, from 1903 to 1953—and a number of grants conservatively estimated at 50,000, with approximately 15 percent of these funds concentrated in 1/20 of 1 percent of the number of foundations, specifically Carnegie and Rockefeller, which happened to be the oldest.

In content, I discovered the subject included grants for every form of charity, and support of research, within the limits of the arts, the sciences, and the religions and the philosophies, and the many subdivisions of these well-known disciplines.

It also embraced grants to cover the cost of such physical facilities as school and university buildings, hospitals, churches, settlement houses, homes for recuperation, libraries and art galleries, and the permanent collections housed in each.

Finally I found that the subject included a myriad of fellowships awarded to scholars and artists active in fields too numerous to mention, let alone classify for the purpose of accurate evaluation.

I might mention here, Mr. Wormser, that out of many of the statistical compilations which we indulged in, we were able to graphically portray the growth of foundations, the growth of their capital resources, which show a marked growth and tend to support the chairman's opening statement that these could be expected to continue to grow from this point on.

The CHAIRMAN. Is that too extensive to be included in the record?

Mr. DODD. That is a rather long report, Mr. Chairman, of the method we used to arrive at these estimates, but it certainly could be included in the record, if you would like.

Mr. WORMSER. I suggest that it would be very valuable, Mr. Chairman to have it included.

Mr. HAYS. What is this again?

Mr. DODD. It is a description, Mr. Hays, of the manner in which we had to resort for a reasonable working estimate of the number of foundations, the size of their resources, the rate at which they had grown since roughly 1903, and the rate at which the capital resources of foundations had grown on an accumulative basis.

Mr. WORMSER. Would you like it read, Mr. Chairman?

Mr. HAYS. As I understand, it is a description of how the staff went at estimating the field that they had to work in, and it is completely factual and no opinions.

Mr. DODD. No opinions.

Mr. HAYS. All right, I have no objection.

The CHAIRMAN. Without objection, it will be embodied in the record.

(The statement is as follows:)

CAPITAL VALUES AND GROWTH OF CHARITABLE FOUNDATIONS

It is apparent from the Cox committee hearings and from the available literature on the subject that there is relatively little information from which the magnitude and growth of charitable foundations can be judged.

It seems rather illogical to devote serious and extended consideration to this complex problem without having some idea of the number, size, and characteristic of these charitable organizations that must exert such a great influence on our social and economic life.

The Russell Sage Foundation has published some excellent studies in which the actual data available have been limited to a relatively small number of foundations.

The Cox committee reported that it had sent questionnaires to more than 1,500 organizations. Based on the record in the files, there was a return from approximately 70 percent of these organizations. These returns have provided the basis for the analysis in this report.

The Internal Revenue Bureau every 4 years publishes a list of tax-exempt organizations in the United States. In the intermediate 2-year period a supplement is published. The latest major list is revised to June 30, 1950, and the supplement to June 30, 1952. These are the latest lists available at the present time and it will be some time after midyear of this year before a new list is available. It so happens that there is quite a close agreement between these publication dates just mentioned and the effective dates of the questionnaires from the Cox committee. A large number of them were as of December 31, 1951, and a small number at the end of some fiscal period prior to 1952.

Analysis of this Internal Revenue Bureau list indicates that as of this period there were approximately 38,000 tax-exempt organizations in the United States. A sampling of the pages in an attempt to identify foundations included in this list indicated that there may be an approximate total of 6,300 out of the 38,000 organizations that might be called foundations. We believe that we are within close limits of accuracy if we state that there are between 6,000 and 7,000 foundations in existence as of this period.

ACCURACY OF DATA AND DERIVED ESTIMATES

It should be realized that the ensuing tabulations cannot be accurate from the standpoint of good accounting standards. A large proportion of the small foundations is not endowed but derives its capital from recurring contributions. Some endowments are reported at book value and others at market value. These must be accepted as reported. It is believed that the greater part of the total value is based on market value. In the case of foundations with capital of $10 million and over, essentially all are endowed.

The questionnaires included in the analysis are of two types: the large and form A as described by the Cox committee. Of the total of 952 included in the financial summaries, 65 cover foundations with capital in excess of $10 million and 887 of less than $10 million capital. Approximately 150 of the form A questionnaries were excluded from the financial summaries because information on capital, income, or both were omitted from the answers returned. These were included, however, in the numerical growth data.

In the tabulations of capital, endowment capital and current contributory capital are added to obtain total values.

ESTIMATED TOTAL VALUES

Data from 46 of the large foundations as included in this tabulation were covered by the large questionnaires. These are the big-name foundations and were specifically and individually selected as such by the Cox committee. The total values applying to this group were included without change in the grand totals.

Nineteen foundations with capital in excess of $10 million were included in the tabulations with the 887 that are under $10 million because nearly all of these were included with a form A questionnaire. This makes 906 questionnaires included in the form A group and these are considered to be about 15 percent of the total remaining foundations in the Bureau of Internal Revenue list as previously mentioned.

For this reason, the actual values in this group of 906 were multiplied by 6.66 to arrive at a total capital value of the foundations estimated to be in the Internal Revenue Bureau tax-exempt list. This estimate is considered to be on the conservative side and in any event sufficiently accurate as a good indication of growth trends and total values involved.

FINANCIAL CLASSIFICATION OF FOUNDATIONS

The financial classification of the foundations made in accordance with the foregoing remarks is shown in table I. The first 3 columns show the actual results derived from the questionnaires, the last 2 show the estimated total values for each size classification listed. The values shown in the last 2 columns are 6.66 times their respective values in the 2 prior columns except for the 46 large ones and the resulting grand total as previously mentioned.

TABLE I

[In thousands of dollars]

Endowment classification,[1] Form A questionnaires	Number of foundations	Total endowment [1]	Total income	Adjusted endowment [1]	Adjusted income
Less than $50,000	379	6,198	5,510	41,277	36,698
$50,000 to $99,999	99	7,076	1,895	47,248	12,622
$100,000 to $249,999	125	19,348	5,389	128,885	35,889
$250,000 to $499,999	87	29,107	5,430	193,850	36,162
$500,000 to $749,999	34	20,604	3,355	137,221	22,343
$750,000 to $999,999	30	25,365	4,133	168,938	27,526
$1,000,000 to $9,999,999	133	388,368	43,509	2,586,530	289,769
$10,000,000 and over	19	304,882	17,667	2,029,405	117,660
Total, Form A	906	800,948	86,888	5,333,319	578,669
Large questionnaires	46	2,129,746	96,062	2,129,746	96,062
Grand total	952	2,930,694	182,950	7,463,065	674,731
Total, $10,000,000 and over	65	2,434,623	113,729	4,159,141	213,722

[1] "Endowment classification" includes endowments as well as contributions to nonendowed or "contributory" foundations that were on hand as of end of calendar or fiscal year 1951.

Adjusted data include total endowment and income reported on Form A questionnaires multiplied by 6.66 because the 906 questionnaires included in the summary are estimated to be 15 percent of those included in the tax-exempt list.

It will be noted that the estimated total capital for the foundations is nearly $7.5 billion and total annual income nearly $675 million. Both of these figures will be subject to considerable variation from year to year, in part because of the proportion of "contributory" foundations in the smaller groups and because of varying earnings between good years and bad.

The proportions or percentages of foundations, their capital and their income in each capital classification as well as the percentage of income to capital in each class are shown in table II.

TABLE II.—*Percentage distribution*

Endowment classification, Form A questionnaires	Percent of total number	Percent of adjusted endowment	Percent of adjusted income	Income as percent of capital
Less than $50,000	39.8	0.5	5.4	89.2
$50,000 to $99,999	10.4	.7	1.9	26.7
$100,000 to $249,999	13.2	1.7	5.3	27.8
$250,000 to $499,999	9.1	2.6	5.4	18.7
$500,000 to $749,999	3.6	1.8	3.3	16.2
$750,000 to $999,999	3.1	2.3	4.1	16.3
$1,000,000 to $9,999,999	14.0	34.7	43.0	11.5
$10,000,000 and over	2.0	27.2	17.4	5.8
Total, Form A	95.2	71.5	85.8	10.8
Large questionnaires	4.8	28.5	14.2	4.5
Grand total	100.0	100.0	100.0	9.0
Total, $10,000,000 and over	6.8	55.7	31.6	5.1

It is of interest to note that the foundations of less than $50,000 capital are shown to comprise about 40 percent of the total foundations, 0.5 percent of the capital and 5.4 percent of the income with a ratio of income to capital of 89.2 percent. These strange ratios result from the fact that these small foundations are largely of the nonendowed or contributory type and receive frequent contributions of cash from creators and friends. Since much of their income is currently expended the ratio of income to capital is very high.

At the other extreme are the large foundations of capital of $10 million and over. These account for 7 percent of the number, 56 percent of the endowment, and 32 percent of the income. Some cash contributions are occasionally received by these and their ratio of income to endowment is about 5 percent.

An interesting feature of this table is that the ratio of income to capital decreases quite steadily as the capital classification increases as would be expected from the foregoing remarks. This decrease is evident in the last column of table I.

The great increase in foundations created in the decade of 1940–49 is featured by the large percentage of small foundations which in turn and as previously stated are composed of a higher percentage of nonendowed or contributory foundations. Based on the answers to the Cox committee questionnaires, the following comparative figures apply:

Nonendowed foundations created:	*Percent of total*
Decade 1930–39	12.5
Decade 1940–49	27.5

CHARACTERISTIC DATA ON LARGE FOUNDATIONS

Table III which follows shows data applying to the 65 foundations whose capital is $10 million and over:

TABLE III

Number of foundations	65
Original capital [1]	$590,752,000
1951 capital [1]	$2,434,628,000
Ratio 1951 capital to original capital	4.1
Average annual total income, 1946 to 1951, inclusive	$113,729,000
Ratio annual income to 1951 capital	4.7
Cash on hand, 1951	$40,559,000
Cash, percent of income	35.7
Perpetual capital life	$1,120,202,000
Limited capital life	$99,777,000
Conditional capital life	$1,214,749,000
Percent perpetual capital life	46.0
Percent limited capital life	4.1
Percent conditional capital life	49.9
Number of corporations	46
Number of trusts	17
Number of associations	2
Number of operating foundations	19
Number of nonoperating foundations	26
Number of combination foundations	20
Average capital per foundation	$37,400,000
Average income per foundation	$1,740,000

[1] Includes capital of endowed and nonendowed foundations.

This table calls for little comment. The slight discrepancy between the figures of 5.1 percent in table II and 4.7 percent in table III for earnings as percent of capital is explained by the larger percentage of "adjusted" earnings estimated for the 19 large foundations included in Form A group as compared with the 46 in the large group.

As previously outlined, contributions to the nonendowed organizations are considered as income and unexpended funds largely constitute the capital in lieu of securities in the portfolios of endowed organizations. This results in a higher ratio of income to capital than prevails in the endowed organizations.

It is also of interest to note the relative proportions of foundation capital included in the perpetual, limited and conditional life classifications.

The endowments of large foundations with definitely limited life comprise only about 4 percent of the total endowments of this large foundation group while the perpetual and conditional groups have 46 percent and 50 percent respectively of the totals. There seems to be very little tendency for the trustees of the conditional life group seriously to reduce their endowments. This might naturally be expected.

The numerical data show the number of foundations created each year and the financial data show the values of the endowments reported for 1951 for the foundations created each year. The accumulated endowments at 1951 values are also shown. The values just described are shown in chart I. There is no appreciable increase or decrease shown in the trend of endowment values added since 1900. The trend is essentially horizontal for these large foundations.

GROWTH OF LARGE FOUNDATIONS

The rate of growth both numerically and in capital values of these large foundations during the last 50 years is shown in table IV.

TABLE IV.—*Foundations with capital $10 million and over (includes only those reporting on questionnaires)*

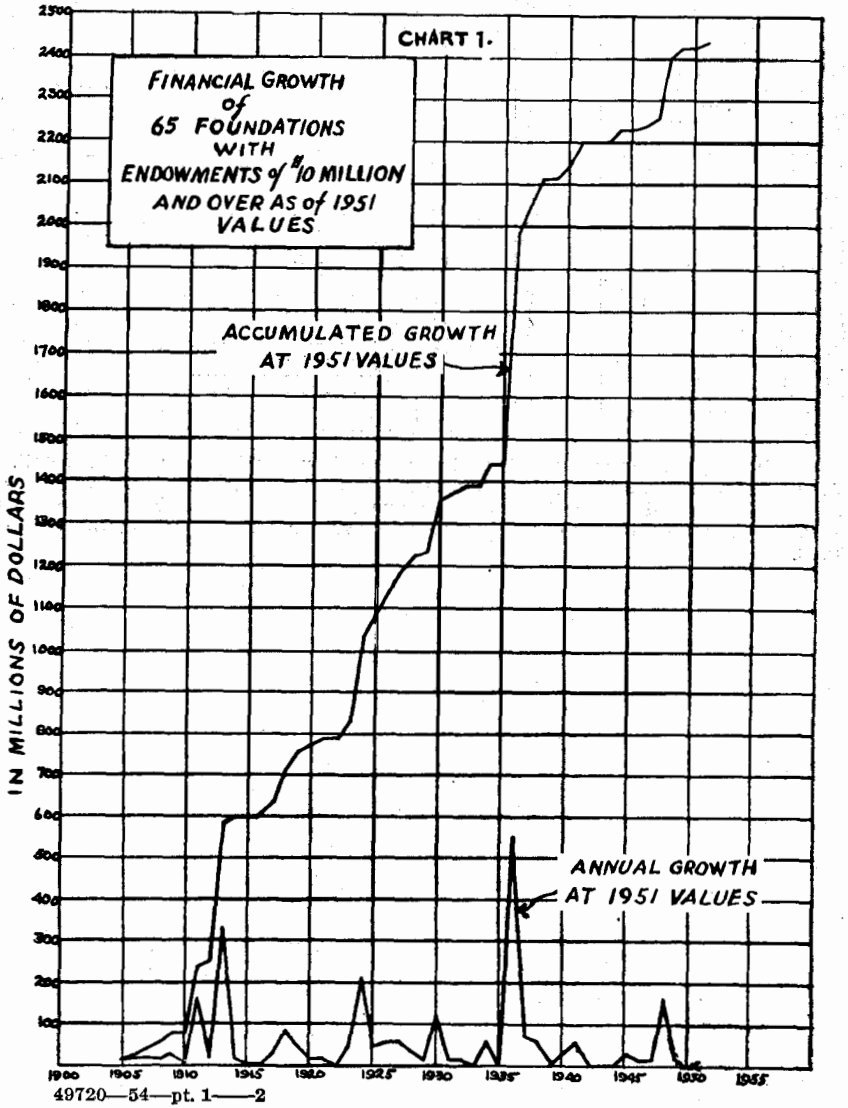
[In thousands of dollars]

Year created	Number created	1951 endowment	1951 accumulated endowment	Year created	Number created	1951 endowment	1951 accumulated endowment
1900				1926	4	$52,911	$1,134,103
1901				1927	4	56,814	1,190,917
1902				1928	1	30.239	1,221,156
1903				1929	1	11,699	1,232,855
1904				1930	4	125,369	1,358,224
1905	1	$11,769		1931	1	12,000	1,370,224
1906	1	10,856	$22,625	1932	1	15,605	1,385,829
1907	1	16,376	39,001	1933	0		1,385,829
1908	1	13,173	52,174	1934	3	54,383	1,440,212
1909	2	26,662	78,836	1935	0		1,440,212
1910	0		78,836	1936	4	548,409	1,988,621
1911	1	160,897	239,733	1937	2	66,981	2,055,602
1912	1	10,545	250,278	1938	2	57,292	2,112,894
1913	2	335,126	585,404	1939	0		2,112,894
1914	1	17,118	602,522	1940	2	29,334	2,142,228
1915	0		602,522	1941	3	55,120	2,197,348
1916	0		602,522	1942	0		2,197,348
1917	2	28,391	630,913	1943	0		2,197,348
1918	1	81,170	712,083	1944	0		2,197,348
1919	1	44,762	756,845	1945	2	27,291	2,224,639
1920	1	16,673	773,518	1946	1	14,080	2,238,719
1921	1	13,703	787,221	1947	1	14,507	2,253,226
1922	0		787,221	1948	3	154,387	2,407,613
1923	3	41,868	829,089	1949	1	16,817	2,424,430
1924	2	210,418	1,039,507	1950	0		2,424,430
1925	2	41,685	1,081,192	1951	1	10,300	2,434,730
				Total	65		2,434,730

The influence of some of the large foundations of 1951, but shown in the year of their origin, is apparent on the chart. These are shown in the following table:

TABLE V

Foundation	Year founded	Original endowment	1951 endowment
			Million
Carnegie Corp.	1911	$25,000	$161
Rockefeller	1913	100,000	323
Commonwealth	1918	10,000	81
Kresge	1924	1,300	79
Duke	1924	40,000	131
Kellogg	1930	22,000	51
Ford	1936	25,000	503
Hayden	1937	17,000	52
Pew	1948	46,000	105



NUMERICAL GROWTH OF 1,097 FOUNDATIONS

The Cox Committee files contained about 1,100 questionnaires. We have classified these numerically according to the year of their origin. The numerical growth of these regardless of type or size is shown for each year since 1900 and the accumulated increase year by year in table VI. These data are also shown in graphic form on chart II. The numerical-growth trend shown in table VI and on chart II is of course confined to the Cox Committee list. It should be reasonably indicative of the growth trend of the whole group of foundations on the tax-exempt list.

TABLE VI

	Number	Accumulated number		Number	Accumulated number
Prior to 1900	9		1926	7	102
1900	0	9	1927	14	116
1901	0	9	1928	10	126
1902	0	9	1929	20	146
1903	1	10	1930	10	156
1904	0	10	1931	6	162
1905	1	11	1932	9	171
1906	1	12	1933	2	173
1907	1	13	1934	7	180
1908	3	16	1935	10	190
1909	3	19	1936	14	204
1910	1	20	1937	17	221
1911	3	23	1938	20	241
1912	3	26	1939	16	257
1913	2	28	1940	25	282
1914	2	30	1941	30	312
1915	5	35	1942	27	339
1916	3	38	1943	76	415
1917	4	42	1944	123	538
1918	6	48	1945	206	744
1919	7	55	1946	116	860
1920	4	59	1947	132	992
1921	6	65	1948	70	1,062
1922	4	69	1949	24	1,086
1923	11	80	1950	8	1,094
1924	7	87	1951	3	1,097
1925	8	95			

The high peak centering in 1945 is composed preponderantly of the smaller foundations and is apparently a byproduct of a change in the tax laws and of a profitable period in the American economy. Due to the sharp decline from 1945, the trend of the accumulated increase curve has flattened considerably since 1948.

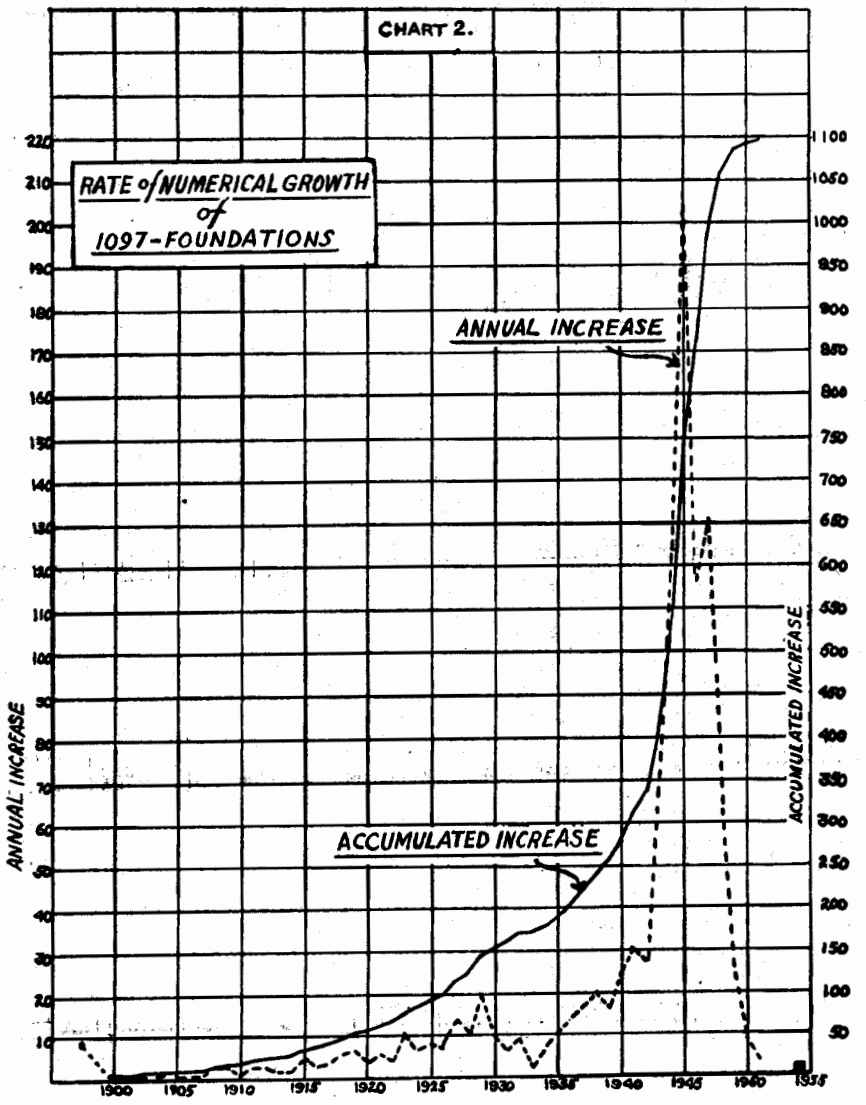


CHART 2.
RATE of NUMERICAL GROWTH of 1097-FOUNDATIONS
ANNUAL INCREASE
ACCUMULATED INCREASE
ANNUAL INCREASE
ACCUMULATED INCREASE
1900
1905
1910
1915
1920
1925
1930
1935
1940
1945
1950
1955

Comparative data on cash and income, supplement to capital values and growth of charitable foundations

	Founded in—	Average income, 1946–51	Cash, 1951	Cash, percent of average income	Average income, percent of 1951 endowment
		Thousands	*Thousands*		
Altman Foundation	1913	$498	$825	165.0	4.0
M. D. Anderson Foundation	1936	1,231	424	34.0	5.4
Avalon Foundation	1940	687	470	6.9	3.9
Hall Brothers Foundation	1926	232	975	420.0	3.7
Louis D. Beaumont Foundation	1949	701	416	59.0	4.2
Buhl Foundation	1927	581	315	54.0	4.4
Carnegie Corp. of New York	1911	5,941	425	7.0	3.7
Carnegie Endowment for International Peace	1910	646	117	18.0	4.7
Carnegie Foundation for Advancement of teaching	1906	1,698			15.6
Carnegie Institution	1926	989	109	11.0	9.2
A. C. Carter Foundation	1945	1,734	570	33.0	14.4
Cullen Foundation	1947	1,171	760	65.0	22.2
The Commonwealth Fund	1918	1,996	1,235	62.0	2.4
Danforth Foundation	1927	865	23	26.2	7.8
Donner Foundation	1945	697	403	57.9	4.6
Duke Endowment	1924	4,913	816	17.0	3.7
El Pomar Foundation	1937	507	169	33.0	3.5
Maurice and Laura Falk Foundation	1929	417	226	54.0	3.6
Samuel S. Fels Fund	1936	248	332	134.0	2.1
The Field Foundation	1940	696	449	64.0	5.9
Max C. Fleischman Foundation	1951	9	1	11.0	.1
Ford Foundation	1936	29,061	2,580	9.0	5.8
Henry Clay Frick Educational Commission	1909	62	307	495.0	2.6
Firestone Foundation	1947	57	1,575	2,765.0	2.2
General Education Board	1903	520	788	152.0	10.5
Edwin Gould Foundation for Children	1923	315	241	76.4	2.9
J. Simon Guggenheim Foundation	1925	1,083	461	43.0	3.6
Solomon R. Guggenheim Foundation	1937	108	84	73.0	2.7
John A. Hartford Foundation	1929	88	702	798.0	5.8
Charles Hayden Foundation	1937	1,746	800	46.0	3.3
Louis and Maud Hill Family Foundation	1934	334	(?)	(?)	2.7
Eugene Higgins Scientific Trust	1948	1,000	(?)	(?)	2.9
Houston Endowment	1937	1,622	435	27.0	52.5
Godfrey M. Hyams Trust	1921	601	480	80.0	4.4
Institute for Advanced Study	1930	687	374	41.5	3.5
James Foundation of New York	1941	2,130	3,388	159.0	6.8
Juilliard Musical Foundation	1920	519	390	75.0	3.1
Henry J. Kaiser Family Foundation	1948	13	83	639.0	.1
W. K. Kellogg Foundation	1930	3,253	356	11.0	6.4
Kresge Foundation	1924	4,776	1,094	24.0	6.0
Kate Macy Ladd Fund	1946	440	249	57.0	3.1
E. D. Libbey Trust	1925	565	51	9.0	3.6
Lilly Endowment	1937	1,462	826	56.0	5.4
John and Mary Markle Foundation	1927	728	2	0.3	4.2
Josiah Macy Foundation	1930	378	65	17.0	1.9
A. W. Mellon Educational and Charitable Trust	1930	1,763	644	37.0	5.2
Mellon Institute of Industrial Research	1927	3,568	274	7.7	23.7
R. K. Mellon Foundation	1947	482	250	51.8	3.3
Millbank Memorial Fund	1905	601	841	140.0	5.2
William H. Minor Foundation	1923	1,052	87	8.0	8.4
Charles Stewart Mott Foundation	1926	420	1,552	370.0	2.9
William Rockhill Nelson Trust	1926	633	77	12.0	5.3
New York Foundation	1909	465	719	154.0	3.6
Old Dominion Foundation	1941	669	301	45.0	5.0
Olin Foundation	1938	978	2,650	271.0	3.2
Permanent Charity Fund	1917	367	181	49.3	3.6
Pew Memorial Foundation	1948	4,125	487	12.0	3.9
Z. S. Reynolds Foundation	1936	376	9	2.5	3.3
Rockefeller Foundation	1913	11,364	6,535	58.0	3.5
Rosenberg Foundation	1935	196	424	216.0	2.7
Sarah Mellon Scaife Foundation	1941	200	1	0.6	1.9
Russell Sage Foundation	1907	542	381	70.0	3.3
Alfred P. Sloan Foundation	1934	1,329	1,747	132.0	4.5
Surdna Foundation	1917	756	558	74.0	4.2
Twentieth Century	1919	457	657	144.0	4.6
Estate of Harry C. Trexler	1934	433	242	558.0	3.4
William C. Whitney Foundation	1936	75	10	13.0	5.0
William Volker Charities	1932	1,027	1,032	100.0	6.6

It is believed that the data portrayed in this report, while not of provable accuracy, are sufficiently representative of actual conditions to provide reasonable guidance in appraising the magnitude of the problems involved. This should assist in the consideration of any suggestions that may seem advisable for possible legislative action.

T. M. McNIECE.

Mr. WORMSER. Is there anything you would like to summarize out of those statistics now, Mr. Dodd?

Mr. DODD. Only the pertinent figures which I gave; namely, some 6,000 to 7,000 foundations and $7.5 billion of resources, and so forth.

Coming now to the subject of definitions, and for our own working purposes, from our point of view, foundations were defined as those organizations resulting from the capitalization of the desire on the part of an individual or a group of individuals to divert his or their wealth from private use to public purpose. Un-American and subversive were defined as any action having as its purpose the alteration of either the principle or the form of the United States Government by other than constitutional means. This definition was derived from a study of this subject which had been made by the Brookings Institute at the request of the House Un-American Affairs Committee some time ago.

Political: Any action favoring either a candidacy for public office or legislation or attitudes normally expected to lead to legislative action.

Propaganda: Action having as its purpose the spread of a particular doctrine or a specifically identifiable system of principles, and we noted that in use this word had come to infer half-truths, incomplete truths, as well as techniques of a covert nature.

Mr. WORMSER. Pardon me, Mr. Dodd. I would like to interpolate at this moment that we have asked the Bureau of Internal Revenue to give us what guidance they can in their own interpretation of these difficult terms, particularly the terms "subversion" and "political use of propaganda." They have not yet come forward with that material. I hope they do, and we shall introduce it in the record if they produce it.

Mr. DODD. These were essentially working definitions from the point of view of the staff's research and are not to be regarded as conclusive.

Charter provisions: The purposes of foundations were revealed by these studies to be generally of a permissive rather than a mandatory character. Customarily they were expressed to place the burden of interpretation on either trustees or directors. Such words as educational, charitable, welfare, scientific, religious, were used predominantly to indicate the areas in which grants were permitted. Phrases such as "for the good of humanity," and "for the benefit of mankind," occurred quite frequently. The advancements of such general concepts as peace and either international accord or international understanding as a purpose for which foundations had been established.

To illustrate the extent to which the burden of interpretation is frequently placed on trustees of foundations, I cite the following:

> Administered and operated by the trustees exclusive for the benefit of it, the income therefrom shall be distributed by the trustees exclusively in the aid of such religious, educational, charitable, and scientific uses and purposes as, in the judgment of the trustees, shall be in furtherance of the public welfare and tend to assist, encourage, and promote the well-doing or the well-being of mankind or of any community.

Cox committee criticism: From our point of view there seemed to be eight criticisms which had been made of the work of the Cox committee. These eight were that time and facility had been inadequate; that excuses concerning grants to Communists had been too readily accepted; that trustees and officers had not been placed under oath;

that only a few foundations had been investigated; that the propaganda activities of foundations had not been investigated; that foundations had not been asked why they did not support projects of a pro-American type; that extensive evidence had not been used——

Mr. HAYS. Just a minute, Mr. Chairman. Will you read that last one again, please?

Mr. DODD. Yes, Mr. Hays. Foundations had not been asked why they did not support projects of a pro-American type.

Mr. HAYS. I would say that is the kind of a question that is something of the order of when did you stop beating your wife.

Mr. DODD. Yes. I mention that because it had come to our attention.

The CHAIRMAN. As I understand, you are now reading from the report of the Cox committee, or the substance of it; is that correct?

Mr. DODD. No. I am just summarizing, Mr. Chairman, the nature of the criticisms which had come to our attention with respect to the work of the Cox committee.

Mr. HAYS. That question implies that the foundations gave nothing to anything that was pro-American.

Mr. DODD. Yes; it does. That is one of the criticisms.

Mr. HAYS. Where did the criticism come from? Is it the criticism of the staff, or where did you dig it up?

Mr. DODD. No. This criticism, as we understood it was one of several made of the work of the Cox committee by Mr. Reece.

Mr. HAYS. If he wants to accept it as his criticism, that is all right. I just want to know the source of it. Just be sure that I am not associated with it, because I don't like those kinds of questions. I do not know whether they gave anything to pro-American activities or not, but I have my opinion that they probably did.

Mr. DODD. Yes. The next one was that extensive evidence had not been used, and finally, that the Ford Foundation had not been sufficiently investigated.

Foundation criticisms: Our studies indicated very clearly how and why a critical attitude might have developed from the assumption that foundations operating within the sphere of education had been guilty of favoritism in making their grants. After having analyzed responses relating to this subject from nearly a thousand colleges in the United States, it became reasonably evident that only a few had participated in the grants which had been made.

Mr. HAYS. I have a question right there. You say a thousand colleges. How many questionnaires did you send out?

Mr. DODD. Approximately that number.

Mr. HAYS. You got practically complete response?

Mr. DODD. We got a very high percentage of responses.

Mr. HAYS. What percentage?

Mr. DODD. I would say the last I heard, Mr. Hays, was something in the neighborhood of 70 percent.

Mr. HAYS. I just wanted that in the record so when they investigate foundations in the next Congress nobody will say that they missed certain ones.

Mr. DODD. Incidentally, a mathematical tabulation of the results of those questionnaires is in the process of being completed now.

However, when the uniqueness of the projects supported by foundations was considered, it became understandable why institutions such

as Columbia, Harvard, Chicago, and the University of California had received moneys in amounts far greater than had been distributed to others. Originally scholars capable of handling these unique subjects were few. Most of them were members of these seemingly favored institutions. Now that these subjects no longer appear to be regarded as unique, and sufficient time has elapsed within which to train such competent specialists, the tendency of foundations to distribute grants over a wider area has become noticeable.

The purported deterioration of scholarships and in the techniques of teaching which lately has attracted the attention of the American public has apparently been caused primarily by a premature effort to reduce our meager knowledge of social phenomena to the level of applied science.

As this report will hereafter contain many statements which appear to be conclusive, I emphasize here that each one of them must be understood to have resulted from studies which were essentially exploratory. In no sense should they be considered as proof. I mention this in order to avoid the necessity of qualifying each statement as made.

Confronted with the foregoing seemingly justifiable conclusions, and the task of assisting the committee to discharge its duties as set forth in House Resolution 217 within the 17-month period, August 1, 1953, to December 31, 1954, it became obvious that it would be impossible to perform this task if the staff were to concentrate on the internal practices and the grant making policies of foundations themselves. It also became obvious that if the staff was to render the service for which it had been assembled, it must expose those factors which were common to all foundations and reduce them to terms which would permit their effect to be compared with the purposes set forth in foundation charters, the principles and the form of the United States Government, and the means provided by the Constitution for altering either these principles or this form.

In addition, these common factors would have to be expressed in terms which would permit a comparison of their effects with the activities and interests connoted by the word "political," and also with those ordinarily meant by the word "propaganda." Our effort to expose these common factors revealed that there was only one, namely, the public interest.

It further revealed that, if this finding were to prove useful to the committee, it would be necessary to define the public interest. We believe this would be found in the principles and the form of the Federal Government as expressed in our Constitution, and in other basic founding documents. This will explain why subsequent studies were made by the staff of the size, the scope, the form, and the functions of the Federal Government for the period 1903–53, the results of which are set forth in detail in the report by Thomas M. McNiece, assistant research director, entitled "The Economics of the Public Interest."

These original studies of the public interest disclose that during the 4 years 1933–36 a change took place which was so drastic as to constitute a revolution. They also indicated conclusively that the responsibility for the economic welfare of the American people had been transferred heavily to the executive branch of the Federal Government, that a corresponding change in education had taken place

from an impetus outside of the local community, and that this revolution had occurred without violence and with full consent of an overwhelming majority of the electorate: In seeking to explain this unprecedented phenomenon, subsequent studies pursued by the staff clearly showed it could not have occurred peacefully or with the consent of the majority unless education in the United States had prepared in advance to endorse it.

These findings appeared to justify two postulates, the first of which was that the policies and practices of institutions purporting or obliged by statute to serve the public interest would reflect this phenomenon, and second, that foundations whose trustees were empowered to make grants for educational purposes would be no exception.

On the basis of these, after consultation with counsel, I directed the staff to explore foundation practices, educational procedures, and the operation of the executive branch of the Federal Government since 1903 for reasonable evidence of a purposeful relationship between them.

Our ensuing studies disclosed such a relationship and that it had existed continuously since the beginning of this 50-year period. In addition, these studies seemed to give evidence of a response to our involvement in international affairs. Likewise, they seemed to reveal that grants had been made by foundations, chiefly by Carnegie and Rockefeller, which had been used to further this purpose by (1) directing education in the United States toward an international frame of reference and discrediting the traditions to which it had been dedicated, by training individuals and servicing agencies to render advice to the executive branch of the Federal Government, by decreasing the dependency of education upon the resources of the local community, and freeing it from many of the natural safeguards inherent in this American tradition, by changing both school and college curricula to the point where they sometimes denied the principles underlying the American way of life, by financing experiments designed to determine the most effective means by which education could be pressed into service of a political nature.

At this point the staff became concerned with (1) identifying all the elements comprising the operational relationship between foundations, education, and government, and determining the objective to which this relationship had been dedicated, and the functions performed by each of its parts (2) estimating the cost of this relationship and discovering how these costs were financed. Understanding the administration of this relationship and the methods by which it was controlled (3) evaluating the effect of this operational relationship upon the public interest and upon the social structure of the United States (4) comparing the practices of foundations actively involved in this relationship with the purposes for which they were established, and with the premises upon which their exemption from taxation by the Federal Government is based.

In substance this approach to the problem of providing the committee with a clear understanding of foundation operations can best be described as one of reasoning from a total effect to its primary or secondary causes. We have used the scientific method and included both inductive and deductive reasoning as a check against the possibility that a reliance upon only one of these might lead to an erroneous set of conclusions.

Neither the formal books and records maintained by foundations operating within the educational sphere, nor any of their supplemental or less formal reports to the public make it possible to appraise the effect of their grants with any degree of accuracy. We therefore needed to turn to the grantees rather than the grantors for the information required by the committee to make the specific determinations requested by Congress in House Resolution 217, namely, have foundations used their resources for purposes contrary to those for which they were established, have they used their resources for purposes which can be classed as un-American, have they used their resources for purposes which can be regarded as subversive, have they used their resources for political purposes, and finally, have they resorted to propaganda in order to achieve the objectives for which they have made grants.

To insure these determinations being made on the basis of impersonal fact, I directed the staff to make a study of the development of American education since the turn of the century, and of the trends and techniques of teaching, and of the development of curricula since that time. As a result it became quite evident that this study would have to be enlarged to include the accessory agencies to which these developments and trends have been traced. The work of the staff was then expanded to include an investigation of such agencies as the American Council of Learned Societies, the National Research Council, the Social Science Research Council, the American Council on Education, the National Education Association, the League for Industrial Democracy, the Progressive Education Association, the American Historical Association, the John Dewey Society, and the Anti-defamation League.

Mr. Wormser, that covers the start and the scope and the manner in which the work of the staff proceeded, and also constitutes the base from which such findings as it will from time to time provide you with, were developed.

The CHAIRMAN. Mr. Goodwin.

Mr. GOODWIN. I would like to reserve the right to comment later on some portions of the data which Mr. Dodd has just submitted, not having an opportunity to see it in writing. I have particular reference to that portion of the data which he has presented which referred to criticisms of the Cox committee. It so happens, Mr. Chairman, as you know, I was a member of the Cox committee. If what he says is, as I understand it to be said, with reference to criticisms that have been made, that the effect of that only is that somebody said something about what the Cox committee had done or failed to do, I presume I have no objections. But I would like to see it actually before me, and at that time I may want to have some comment to make.

The CHAIRMAN. Quite so.

Mr. DODD. Mr. Goodwin, it does refer to that type of thing. We wish to put this committee in a position, if possible, to understand whether those were justified or not justified.

Mr. HAYS. Mr. Chairman.

The CHAIRMAN. Mr. Hays.

Mr. HAYS. It seems to me as I listened quite carefully to Mr. Dodd's statement, that there were several charges in there that represent rather a serious indictment of foundations. It is difficult to question Mr. Dodd or anyone else about a prepared statement without having

had a copy of the statement at least before you while it is being read, in order to make marginal notes. It has been the custom of committees on which I have sat in the past 5½ years that that be done. I would suggest that before we go too much further that we recess and give him time to get a prepared statement in order that we can intelligently ask him some questions about that.

The CHAIRMAN. It was my thought that copies would be available not only for the members of the committee, but also for the members of the press as far as the press might be interested. Since that completes the statement that he prepared to make, unless Mr. Wormser and Mr. Koch, you have further questions—the House anyway goes in session at noon—I think the Chair would think that we might just as well recess so that by morning the statement will be prepared.

Mr. WORMSER. Mr. Chairman, I like Mr. Hays' suggestion very much. I deeply regret that we could not have copies at the beginning of the hearing this morning. We can have them this afternoon. We can have not only copies of the statement as far as it went today, but what Mr. Dodd expects to present tomorrow.

Mr. HAYS. I would certainly appreciate it, and I think it would expedite the work of the committee if he is going to have a further statement tomorrow to have it in our hands at least by morning. It would facilitate matters if we could have a copy tonight.

Mr. WORMSER. I quite agree. I think we can give it to you by tonight.

The CHAIRMAN. The Chair apologizes for the statement not being available, as it was his understanding that it would be available.

Mr. HAYS. I am not blaming the Chair.

The CHAIRMAN. Yes, I understand. I assume without having any information that it was due to the element of time. The committee then will stand adjourned until 10 o'clock tomorrow morning in this same room through the courtesy of the chairman of the Committee on Banking and Currency, and Mr. Hays, who is also a member of the committee.

(Thereupon at 11 a. m., a recess was taken until Tuesday, May 11, 1954, at 10 a. m.)

TAX-EXEMPT FOUNDATIONS

TUESDAY, MAY 11, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special subcommittee met at 10 a. m., pursuant to recess, in room 1301 of the House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece, Wolcott, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; and John Marshall, Jr., chief clerk of the special committee.

The CHAIRMAN. The committee will come to order.

Mr. Wormser, as I understand, Mr. Dodd will resume this morning.

Mr. WORMSER. Yes, Mr. Chairman. Will you take the stand, Mr. Dodd, please.

TESTIMONY OF NORMAN DODD, RESEARCH DIRECTOR, SPECIAL COMMITTEE TO INVESTIGATE TAX EXEMPT FOUNDATIONS—Resumed

The CHAIRMAN. You may proceed, Mr. Dodd.

Mr. DODD. Thank you, Mr. Chairman.

Mr. HAYS. Mr. Chairman, before Mr. Dodd goes on with his statement of which we have a copy today, there are 2 or 3 questions about his statement yesterday which have occurred to me since I have had a chance to look at the record. I wonder if it might be well to get those in the record now?

The CHAIRMAN. Yes; I think so.

Mr. HAYS. I think it is mainly to clarify some of the things that were said. Mr. Dodd, one of the things you said yesterday was that only a few foundations were investigated by the Cox committee. Could you give us a figure on that?

Mr. DODD. Offhand in any accurate terms, I do not think so, Mr. Hays, but compared to the number of foundations that are involved, the committee had very little time and relatively very few were studied. I should say probably 10.

Mr. HAYS. You think about 10?

Mr. DODD. I think about 10. Yes, sir. They had questionnaires on almost 900 of them, Mr. Hays.

Mr. HAYS. This might be a pertinent question. In view of the fact this committee has had more time, perhaps 3 or 4 times more, how many do you think we will investigate?

Mr. DODD. We have gone about it a little differently. As I tried to outline in the statement yesterday, we took up the general concepts that fit all foundations, rather than attempt either by sampling or tabulation to arrive at conclusions from a specific number of foundations. We knew we could never cover the field and there is no pattern that runs through foundations in general. For example, we investigated, rather, we communicated with probably 60 or 70 of the largest ones, just to see whether or not any pattern was discernible and discovered that they vary so much, one from the other, that we could not go at it from that standpoint. There was no basis for sampling which would, in my judgment, end in any fair treatment of them.

Mr. HAYS. To get back to my question, how many will we be able to cover, I do not expect you to be definite.

Mr. DODD. In the ordinary sense that a deep investigation of a single foundation is concerned, I would say not more than 1 or 2.

Mr. HAYS. Another thing you said yesterday in response to a question of mine was that you had received replies from 700 colleges. That is replies to a questionnaire that you had sent out. Can you tell me offhand how many of those colleges replying received any grants?

Mr. DODD. No, sir, I cannot yet, because the tabulations have not been completed.

Mr. HAYS. But they will be available later?

Mr. DODD. They will be available in very complete form.

Mr. HAYS. I have one more question. We discussed a little bit yesterday this matter of your statement that the foundations have not been asked why they did not support projects of a pro-American type.

Mr. DODD. That was one of the criticisms.

Mr. HAYS. Yes. I objected to that because I do not like that kind of question, but it might well be, since it is in the record, and since it is a statement that you attribute to the chairman of the committee, if we could have along with your other definitions the definitions of what you mean by pro-American.

The CHAIRMAN. Will the gentleman yield?

Mr. HAYS. Yes.

The CHAIRMAN. Since that question came up, I have taken occasion to review the speech of mine to which it referred, and this is the language preceding the quotation of the 12 criticisms that were listed, and I am quoting:

> The committee (referring to the previous so-called Cox committee) in its report to the House, House Report 2554, listed 12 complaints and criticisms of foundations in the form of the following questions.

And I simply quoted from what was contained in the report of the House committee. So that they were not original criticisms of mine.

By what I say now, however, I am not disavowing the fact that I might accept the criticisms. I just want to get the record straight with reference to what was the basis for the so-called 12 criticisms, which were raised yesterday. They were taken from the report to the House by the previous committee.

Mr. HAYS. In looking this over rather hurriedly I do not see anything in there in exactly that same specific language. Why do we not include this paragraph or two in the hearing record?

The CHAIRMAN. That is entirely satisfactory to me, if it is satisfactory to Mr. Dodd.

Mr. DODD. Yes, indeed.

Mr. HAYS. Let us go back far enough to pick up the thought of it. In fact, I would say the beginning of the paragraph there, so we understand what it is.

The CHAIRMAN. Yes. It is so-called part 1, stating that the time and facilities were inadequate and goes down to part 2, I presume.

Mr. HAYS. Yes.

The CHAIRMAN. So far as I am concerned, I would be glad to have the whole speech put in the record.

Mr. HAYS. I have no objection.

The CHAIRMAN. Without objection, it will be so ordered.

Mr. HAYS. Just make sure it is labeled your speech.

(The speech referred to is as follows:)

Mr. REECE of Tennessee. Mr. Speaker, I do not say this lightly but in my opinion, the subject embraced in House Resolution 217, now before us, is one of the very important matters pending in Washington.

No one seems to know the number of tax-exempt foundations. There are probably 300,000 foundations and organizations which have great tax exemptions.

These exemptions cover inheritances, income, and capital-gains taxes.

The majority of these organizations are honestly and efficiently conducted. In the past, they have made a magnificent contribution to our national life. In the past, the majority have justified these tax exemptions, even though the probable cost to the taxpayers runs into the billions.

Certainly, the Congress has a right and a duty to inquire into the purposes and conduct of institutions to which the taxpayers have made such great sacrifices.

In any event, the Congress should concern itself with certain weaknesses and dangers which have arisen in a minority of these.

Some of these activities and some of these institutions support efforts to overthrow our Government and to undermine our American way of life.

These activities urgently require investigation. Here lies the story of how communism and socialism are financed in the United States, where they get their money. It is the story of who pays the bill.

There is evidence to show there is a diabolical conspiracy back of all this. Its aim is the furtherance of socialism in the United States.

Communism is only a brand name for socialism, and the Communist state represents itself to be only the true form of socialism.

The facts will show that, as usual, it is the ordinary taxpaying citizen who foots most of the bill, not the Communists and Socialists, who know only how to spend money, not how to earn it.

The method by which this is done seems fantastic to reasonable men, for these Communists and Socialists seize control of fortunes left behind by capitalists when they die, and turn these fortunes around to finance the destruction of capitalism.

The Members of this House were amazed when they read just recently that the Ford Foundation, largest and newest of the tax-free trust funds, had just appropriated $15 million to be used to "investigate" the investigating powers of Congress, from the critical point of view.

The Members of the House Committee on Un-American Activities, of which Judge Velde is chairman, have a great deal of personal knowledge, gained by hours spent in listening to sworn testimony from Communists and ex-Communists, and those who seek refuge in the fifth amendment, as to the extent of the treasonous conspiracy in our Nation.

No Congressman, who has gone through such experiences, could fail to be alarmed at the fact that $15 million from the fortune of the late Henry Ford, who probably hated communism more than any other American of his day, was to be expended to attack the Congress for inquiring into the nature and extent of the Communist conspiracy, on grounds that Congress was "abridging civil

liberties" of individuals by requiring them to answer whether or not they were Communists.

After all, no committee of Congress ever had a fund of $15 million to finance its inquiries, hire a staff, conduct its research, and print and circulate its findings. The House Committee on Un-American Activities has a budget of only $300,000 for this biennium—one-fiftieth of the sum the Ford Foundation proposed to expend for a refutation of its findings and those of other committees of the Congress engaged in similar pursuits.

The Communists have their own agency to smear the committees of the United States Congress and to defend Communists hailed before them. It is called the Civil Rights Congress and has been listed by the Attorney General as Communist and subversive. To give it liberal respectability, Mr. Paul Hoffman, former president of the Ford Foundation, was made chairman of this king-sized Civil Rights Congress endowed by the Ford Foundation. The fund for the Republic, as this Ford Foundation agency is named, has announced that it will make grants for an immediate and thorough investigation of Congress.

During the last few weeks of the 82d Congress, a select committee of seven Members of the House conducted—pursuant to House Resolution 561—a somewhat hasty, limited, and abbreviated inquiry into the administration of certain tax-exempt foundations, including the huge Ford Foundation.

The House passed the resolution to create this select committee on April 4, 1952, and on July 2, 1952, by a vote of 247 to 99, voted $75,000 for the investigation. But actually, the counsel and the staff only started its work early in September, and thus, had only 4 months to carry out the task entrusted to it it by Congress. Hearings were started late in November and only 17 days were devoted to hearing witnesses.

The select committee's work was further handicapped by the fact that its chairman, Hon. Eugene E. Cox, who was primarily responsible for the creation of the select committee, fell ill during the hearings and died before the committee submitted its final report to Congress. I was prevented from attending these hearings, as a minority member of the select committee, by serious illness in my family.

The select committee of the 82d Congress filed its report on January 1, 1953. In signing the report, I inserted a notation at its end with the distinct intention of introducing a resolution to continue the investigation of foundations and their subversive activities in this Congress. Pursuant to this notation, I introduced on April 23, 1953, a House Resolution 217, to create a committee by this Congress to conduct a full and complete investigation and study of tax-exempt foundations.

In introducing this resolution, I made some remarks on the work of the select committee of the 82d Congress. So that my colleagues may be acquainted with what was revealed by this select committee without reading nearly 800 pages of testimony and documents of the hearings, which has no index, I presented the following summary of what was disclosed:

First. The evidence presented at the hearings in this case by sworn testimony, indicated that at least in one case, even some of the trustees of a supposedly legitimate foundation, with over $10 million in assets, were Communists.

Second. The hearings disclosed that some officers of large and supposedly legitimate foundations were Communists.

Third. Numerous Communists have received grants from foundations chartered by the Congress of the United States, and in some instances these Communists received grants from more than one foundation.

Fourth. Foundation grants have been given to many organizations designated by the Attorney General of the United States as Communists, or exposed by the investigations of committees of the Senate and House as subversive organizations subject to Communist Party discipline and control. A primary example of this is the Institute of Pacific Relations, exposed by the Senate Internal Security Subcommittee as subject to Communist discipline, which has received more than $2½ million from various foundations.

When introducing House Resolution 217, I listed some of the omissions and faults of the work of the select committee of the 82d Congress which must be remedied by this Congress. I feel that these omissions and faults should again be brought to the attention of the House, and that I should not only elaborate these faults and omissions, but should point out what the proposed new select committee of this Congress intends to do to remedy them.

I. TIME AND FACILITIES WERE INADEQUATE

The Committee To Investigate Foundations in the 82d Congress had completely inadequate time and facilities to do the job Congress entrusted to it. The committee, in its report to the House—House Report 2554—listed 12 complaints and criticisms of foundations in the form of the following questions:

1. Have foundation funds been diverted from the purposes established by the founders?
2. To what extent have foundations been infiltrated by Communists and Communist sympathizers?
3. Have foundation funds been channeled into the hands of subversive individuals and organizations; and if so, to what extent?
4. Have foundations supported or assisted persons, organizations, and projects which, if not subversive in the extreme sense of that word, tend to weaken or discredit the capitalistic system as it exists in the United States and to favor Marxist socialism?
5. Are trustees of foundations absentee landlords who have delegated their duties and responsibilities to paid employees of the foundations?
6. Do foundations tend to be controlled by interlocking directorates composed primarily of individuals residing in the North and Middle Atlantic States?
7. Through their power to grant and withhold funds, have foundations tended to shift the center of gravity of colleges and other institutions to a point outside the institutions themselves?
8. Have foundations favored internationalism?
9. To what extent are foundations spending American money in foreign countries?
10. Do foundations recognize that they are in the nature of public trusts and are, therefore, accountable to the public, or do they clothe their activities in secrecy and resent and repulse efforts to learn about them and their activities?
11. Are foundations being used as a device by which the control of great corporations are kept within the family of the foundation's founder or creator?
12. To what extent are foundations being used as a device for tax avoidance and tax evasion?

Before attempting to answer any of these questions, the report of the committee of the 82d Congress immediately points out:

In dealing with these questions, the committee recognizes all too clearly that which must be apparent to any intelligent observer, namely, that it was "allotted insufficient" time for the magnitude of its task. [Quoted matter added.]

Obviously, the select committee had insufficient time to investigate fully these matters and make seasoned and timely recommendations to the House for legislative corrections of those evils which may exist and require serious consideration.

A special committee of this Congress, in accordance with House Resolution 217, would have sufficient time to undertake extensive research and investigation, for holding public hearings, and to report its findings and recommendations to Congress. It should be noted that despite its serious limitations, the select committee of the 82d Congress disclosed, as indicated by my previous four-point summary, substantial evidence regarding support given to Communists by foundations. If considerable evidence can be revealed by an incomplete investigation, which had so little time, it can be reasonably expected that a new committee, which has the time to explore the various ramifications of support given to Communists by foundations, will produce startling evidence.

II. EXCUSES CONCERNING GRANTS TO COMMUNISTS TOO READILY ACCEPTED

The select committee in the 82d Congress permitted the officers and trustees of foundations, exercising control over the disbursement of hundreds of millions of dollars in tax-exempt funds, to give the excuse, without being challenged for their veracity or the reasonableness of their statements, that foundation grants were made to Communist organizations and individuals unwittingly and through ignorance. A new special committee of the 83d Congress should ask these officers and trustees who testified to give evidence under oath that grants to Communists were, in fact, given unwittingly and if precautions are being taken so that the practice of making grants to subversives would be stopped.

III. TRUSTEES AND OFFICERS WERE NOT UNDER OATH

The committee to investigate foundations failed to require the officers and trustees of foundations who appeared before it as witnesses to give their testimony under oath. It did not require the representatives of the foundations to swear to the truth of the information they furnished the committee in answer to its questionnaires. The usual jurat was omitted. As a result of this, neither the Congress nor the people know whether these officers and trustees were telling the truth. For the sake of the foundations, this error should be rectified. In fact, under this practice some officers and trustees of foundations used the hearings as a soundingboard for their opinions and views rather than giving sworn testimony regarding questionable activities of their foundations. The only witnesses I can find who were actually sworn and placed under oath were 2 anti-Communists, 2 Department of Justice employees, and Ira Reid and Walter Gellhorn. Only 6 witnesses out of 40 were sworn. In view of these circumstances, much of the testimony has no more validity than common gossip, and no proper investigation has taken place. House Resolution 217, to create a special committee of the 83d Congress, explicitly charges the proposed committee to administer the oath so that the serious omission of the former committee in this respect would be remedied.

IV. ONLY A FEW FOUNDATIONS WERE INVESTIGATED

The committee of the 82d Congress had only time to consider evidence about a few foundations, and much of the information it received in answer to its questionnaires it did not have time to digest. It did not publish the voluminous but revealing answers to its questionnaires, which would have been valuable source material for anyone interested in what the foundations are doing. The select committee of this Congress would have time to digest, utilize, and publish the answers that the foundations have given to the questionnaires. In fact, House Resolution 217 specifically charges the Sergeant at Arms of the House to obtain the records of the former select committee and to make them available to the new committee.

V. PROPAGANDA ACTIVITIES OF FOUNDATIONS WERE NOT INVESTIGATED

The select committee of the 82d Congress did not ask the representatives of the foundations to explain why they were indulging in propaganda, in view of large grants to organizations, projects, and persons which are promoting special interests or ideologies. These representatives were also not requested to explain activities of foundations which are, in fact, influencing legislation, inasmuch as their grants frequently have an outright political objective rather than an educational one.

Foundations, in their statement of policy, say that because of the legal exemption from income tax they cannot undertake to support enterprises carrying on propaganda or attempting to influence legislation. Such large foundations as Rockefeller, Carnegie, Ford, Sloan, and Field explicitly make this assertion in their published reports. Although foundations contend that they are promoting education, documentary evidence in my possession raises the question whether some large foundations are not actually engaged in propaganda.

Large foundations have a tremendous influence on the intellectual and educational life of our country. These foundations, possessing huge sums of untaxed wealth, seem to be dedicated to promoting specific views on such matters as the welfare state, the United Nations, American foreign policy, the nature of the American economy, and so on, rather than presenting objective and unbiased examination of these issues. Extensive evidence that I have examined shows that organizations which are primarily committed to a given ideology have received large grants from some big foundations over many years, and in numerous instances they have received such grants simultaneously from different foundations.

The assets of the large foundations are tax exempt and, therefore, ought to be spent on projects and organizations representing the views of all of the people and not only of a segment dedicated to a specific ideology. Since the activities of some of the large foundations appear to be biased in favor of a particular ideology, in reality they are indulging in propaganda calculated to influence legislation on both domestic and international matters. Under such circumstances, these foundations are violating their charters given to them by the

United States Congress and are betraying a public trust. I do not mean to imply that all foundations and all of their activities are not serving the public welfare. Some foundations by some of their grants have made great contributions to medical and technological research and have improved the health and general welfare of the people. But in the realm of the social sciences many foundations have not observed the highest standards of scholarship and ethics, which require the presentation of only factual and unslanted material. In fact, the want of ethics and the misrepresentations of some foundations are so low that a business corporation doing the same thing would be condemned by the Federal Trade Commission and held guilty of false advertising.

The foundations must be investigated in terms of the above-mentioned statements of fact, and should be given an opportunity to try to disprove them. The all-important question of the foundation's propaganda activities and attempts to influence legislation was completely ignored by the previous committee. However, House Resolution 217 explicitly authorizes the new committee to determine which foundations are using their resources for political purposes, propaganda, and attempts to influence legislation.

VI. FOUNDATIONS WERE NOT ASKED WHY THEY DON'T SUPPORT PRO-AMERICAN PROJECTS

A very important question, which is vital to the future of the American Republic, was never raised at all during the inquiry of the 82d Congress. This question is: Why do the pro-American projects find it so difficult to get grants from some of the foundations? Some large foundations must answer questions such as the following:

A. Have they financed studies regarding the excellence of the American Constitution, the importance of the Declaration of Independence, and the profundity of the philosophy of the Founding Fathers? And, if not, what is their excuse for neglecting the study of the basis of the American Republic?

B. Have they given support to the educational programs of the American Legion, the Veterans of Foreign Wars, and Catholic and Jewish veterans' organizations? And, if not, what is their explanation of the fact that they have been supporting agencies which are left of center and are internationalists, and not similarly favoring nationalist organizations?

C. Have they supported studies which are critical of the welfare state and socialism, and demonstrate the merits of the competitive private-property system? And, if not, what justification do they have for such negligence, while they have given numerous grants to persons and organizations which favor the welfare state and socialism?

D. Have they given grants to active anti-Communists and repentant Communists who have served the United States bravely and at great self-sacrifice by exposing the Communist conspiracy within our borders? And, if not, what are their reasons for not giving grants to such persons, while they have admittedly supported Communists and pro-Communists?

These large foundations must be given every opportunity to answer fully such questions to the committee of the 83d Congress and to submit evidence to the extent they are able, to prove that they have given support to pro-American projects and organizations. Should they not be able to do this, or should their contribution to such projects and organizations be very scanty, they must furnish a detailed justification for policies which overlook the preservation of the American Republic.

VII. EXTENSIVE EVIDENCE WAS NOT USED

The select committee of the 82d Congress did not use a great deal of the documentary evidence that was actually in its possession. Much of this extensive evidence showed subversive and un-American propaganda activities on the part of foundations, as well as outright political activities which attempted to influence legislation. It is obviously impossible for me to even summarize this voluminous evidence, but I feel that my colleagues should have at least a few examples of foundation-financed projects which are not only unscholarly, but of such nature as to aid and abet the Communist and Socialist movement. Since time does not permit the full documentation of these examples on the floor of this Chamber, the documentation will be presented as an appendix in a revision and extension of my remarks in the Record.

VIII. FORD FOUNDATION WAS NOT INVESTIGATED

Important and extensive evidence concerning subversive and un-American propaganda activities of the Ford Foundation, which was available to the committee of the 82d Congress, was not utilized. Thus, the Ford Foundation—which is the wealthiest and the most influential of all foundations—was not actually investigated. In fact, the hearings on the Ford Foundation constituted merely a forum for the trustees and officers of this foundation to make speeches instead of answering specific questions regarding the many dubious grants made by them. Documentary evidence in my possession raises some serious questions regarding some of the officers and activities of the Ford Foundation. Again, time does not permit the presentation of this evidence regarding the Ford Foundation on the floor of this Chamber, therefore, the evidence will be given in the extension of my remarks in the Record.

I have submitted for the consideration of this Chamber an eight-point analysis of the omissions and faults of the work of the select committee of the 82d Congress and justification of the vital need to remedy these faults and omissions by a special committee of this Congress, to be created by House Resolution 217.

The matters to which I drew your attention are not only vital for the future of our Nation, but have also very practical consequences for the pocketbooks of every American taxpayer. Foundations actually operate by Federal subsidy through enjoying tax exemptions by authority of section 101 of the Internal Revenue Code. Considerable revenue is lost to the Government by the tax exemption given to foundations. This revenue must be made up by augmented payments on the part of the average American taxpayer. Thus, tax-exempt large foundations may be abusing their status at the expense of the American taxpayer. This abuse of tax exemption is particularly relevant at this time, when we end up the fiscal year over $9 billion in the red and the Secretary of the Treasury has to go out and borrow this amount in cash to keep the Government operating.

Should the investigation disclose that some foundations, because of their activities, are not entitled to tax exemption, the Federal Government would actually obtain additional revenue in taxes, which, in turn, would lessen the tax burden of average citizens. I mention this fact because in view of the need for Government economy, and because Congress is already spending money for investigations, it is important to justify the creation of a new investigating committee in terms of what it may do to assist the Government to close loopholes in the tax laws.

The assets of tax-exempt foundations already run into billions. Tax-exempt foundations are bound to become more and more important due to the trend of putting more and more businesses in such trusts. The present laws governing the inheritance and transfer of property are creating a great many tax-exempt foundations whose assets are based on corporation securities. In view of this trend, the foundations may soon become the dominant owners of tax-free American business. Under such circumstances, a very large segment of American business will be under the control of a few trustees who will be also spending the large tax-exempt funds entrusted to them. Such a tremendous concentration of control and power would be in itself an unhealthy development and could get completely out of control; furthermore, such concentrated power and control could easily be abused. This is still another reason why a careful investigation of the tax-exempt foundation situation is imperative.

The questionable activities of foundations are of such vital concern to the American people that in recent weeks two committees of the United States Senate—the Internal Security Subcommittee and the Committee on Government Operations—have announced their intention to look into the activities of foundations. Thus, it appears that my recommendation made in signing the report of the select committee of the 82d Congress was well taken. However, the Internal Security Subcommittee is specifically concerned with the subversion, and with matters directly affecting the internal security of the United States. Since the scope of the committee is limited, it would be impossible for it to investigate adequately the propaganda activities of foundations and their attempt to influence legislation. These activities are in a sense much more important than foundation grants to Communists. Similarly, the jurisdiction of the House Committee on Un-American Activities is limited to subversion.

Moreover, these three committees, as well as the Ways and Means Committee or any other standing committee, are too preoccupied with other matters to be able to undertake a thorough and complete investigation of the complex and extensive

activities of numerous foundations. This, of course, is not intended as a reflection on the excellent work done by these committees, but is merely a statement that only a special committee of the House could do the job properly. Only a special committee would have the time, specialized staff, and facilities to undertake a thorough inquiry into the complex problems raised by the foundations' activities, which require exclusive concentration on the part of an investigating body.

The House must undertake this task not only because its previous committee was not able to complete the job entrusted to it, but also because some foundations chose to interpret the report of that committee as a mandate for continued support of subversive and un-American propaganda activities and for undermining the investigative processes of Congress. For instance, the previously mentioned Ford Foundation grant makes available $15 million for investigating congressional methods of inquiries into communism and subversion. On the other hand, the House Committee on Un-American Activities has an appropriation of only $300,000; the Senate Committee on Government Operations, $200,000; the Senate Internal Security Subcommittee, $200,000. It would seem that because of the large sum provided for this task, the Ford Foundation considers the investigation of Congress highly important. This intention of the Ford Foundation constitutes an insult not only to the Congress of the United States but the American people as well, since this body is the representatives of the American people. It is up to the House to meet such a challenge by establishing a new special committee for a thorough and complete investigation of the Ford and other foundations.

Therefore, Mr. Speaker, I submit that House Resolution 217 deserves the immediate and serious consideration of all those interested in the safety and welfare of our Nation and the dignity and accomplishments of our Congress.

PRO-COMMUNIST AND PRO-SOCIALIST PROPAGANDA FINANCED BY TAX-EXEMPT FOUNDATIONS

A few examples of foundation-financed unscholarly projects which are, in fact, pro-Communist and pro-Socialist propaganda are the following:

A. The Encyclopedia of Social Sciences is slanted toward the left

The Encyclopedia of Social Sciences, financed by tax-exempt funds, is considered a sort of supreme court of the social sciences. It is the final authority to which appeal is made regarding any question in the field of social sciences. The encyclopedia has influenced the thinking of millions of students and other persons who have consulted it since the appearance of its consecutive volumes during 1930–35. Alvin Johnson, who has been the moving spirit behind the encyclopedia and was its associate editor and is now president emeritus of the New School for Social Research, estimated that "there are at least half a million consultations of the encyclopedia every year, in spite of the fact that it is out of date." The Rockefeller, Carnegie, and Russell Sage Foundations initially subsidized the encyclopedia to the amount of $600,000. The eventual cost of the encyclopedia was $1,100,000.

Although the preface of the encyclopedia says that it endeavored to include all important topics in the social sciences, it does not contain an article on the American Revolution, while it has articles on the French Revolution and the Russian Revolution.

Johnson, in his book Pioneer's Progress, on pages 310–312, said that two of his assistant editors were Socialists and that another editor was a Communist. Johnson, in his great naivete, expected that these editors would not try to slant the encyclopedia in favor of communism and socialism. Yet articles dealing with subjects on the left were primarily assigned to leftists, while articles dealing with subjects on the right were also assigned primarily to leftists.

The article on bolshevism and Gosplan were written by Maurice Dobb, an economist sympathetic to the Soviet point of view. The articles on bureaucracy and Lenin were written by the Socialist Harold Laski. The articles on Fabianism and guild socialism were written by the Socialist G. D. H. Cole. The article on communism was written by Max Beer, of the University of Frankfort, who was a devoted, wholehearted disciple and enthusiastic biographer of Marx. The article on socialism was written by Socialist Oscar Jaszi. Otto Hoetzsch, of the University of Berlin, in his article on Government, Soviet Russia, says, among other things:

"National autonomy is thus guaranteed in theory and largely in practice as well; there is no legal discrimination between the rates of the Soviet Union * * *. The Soviet principle thus results in a parliamentary democracy functioning on the basis of indirect representation, but exclusively for the proletariat. Although the elections are subject to the pressure of Communist dictatorship, this worker's democracy is not entirely a fiction."

The following articles on the subjects dealing with the right were also written by leftists: The article on Middleman was written by Maurice Dobb. The articles on The Rise of Liberalism and Liberty were written by the Socialist Harold Laski. The article on Individualism and Capitalism was written by Charles Beard, who at the time he wrote this article was a leftist. Capitalism was written by Werner Sombart, a former Marxist who became eventually affiliated with the Nazis. Laissez Faire was written by the Socialist G. D. H. Cole, who refers to laissez faire as "unworkable' and as "theoretically bankrupt." He concludes:

"As a prejudice, laissez faire survives and still wields great power; as a doctrine deserving of theoretical respect, it is dead."

The fair and scholarly procedure would have been to assign articles on subjects of the left to leftists and the articles on subjects of the right to believers in limited government and classical economics. Since this was not done, the encyclopedia is to a large extent propaganda for communism and socialism. It is indeed regrettable that this encyclopedia, financed by tax-exempt funds, should have sponsors which were listed in the preface of the first volume of the encyclopedia as follows:

American Anthropological Association
American Association of Social Workers
American Economic Association
American Historical Association
American Political Science Association
American Psychological Association
American Sociological Society
American Statistical Association
Association of American Law Schools
National Education Association

The student or anyone else consulting the encyclopedia is thus misled, because, upon noting the sponsorship, he assumes that the encyclopedia is bound to be unbiased and is representative of the highest available scholarship.

B. The University of Chicago Roundtable is propaganda, not education

The University of Chicago Roundtable has received during the last 12 years over $600,000 as of 1950, from the Alfred P. Sloan Foundation. The listening audience of these Sunday noon roundtable radio broadcasts has been estimated by its staff to be between 5 to 8 million persons. The roundtable claims to be an educational program, but this is doubtful. To be a genuinely educational program, everyone of the roundtable broadcasts dealing with controversial subjects should have participants who are truly representative of each side of the problem discussed. However, on the basis of my examination of transcripts of a great many of these roundtable discussions, it appears that in most cases the background and ideology of the participants were so similar that no genuine discussion of controversial subjects could take place and no fair presentation of all sides of these issues could be expected. And in many cases thet ideology of the participants was leftist.

For example, the August 18, 1946, broadcast dealt with What Is Communism? The participants were Milton Mayer, a Socialist journalist, and Arthur M. Schlesinger, Jr. of Harvard University and of Americans for Democratic Action, and Lynn A. Williams, vice president of the Stewart-Warner Corp. and subsequently vice president of the University of Chicago. Part of the discussion said:

"Mr. SCHLESINGER. It certainly would appall the editors of Pravda to know that you, an American capitalist, are teaching the Communist manifesto to your workers.

"Mr. WILLIAMS. I certainly did not sell it to them, because, try as I would to teach them all the merits of what Marx had to say, they would have none of it.

"Mr. MAYER. * * * socialism, as we see it operating under the labor government in Great Britain, has collective or social ownership of the means of production just as communism does. But socialism is still parliamentary, nonviolent, gradualist, democratic, progressive."

In view of the opinion of participants of the broadcast, where is the capitalist, anti-Communist and anti-Socialist viewpoint?

The March 14, 1948, broadcast, entitled "The Communist Manifesto, 1848 to 1948," had the following participants: Herman Finer, a British Socialist, Abram Harris of the University of Chicago, and Malcolm Sharp, professor of law at the University of Chicago, who was associate attorney for the Rosenbergs, executed Communist spies, has numerous Communist-front affiliations, and was quoted by the Chicago Maroon as saying that Communist professors should not only be hired, but should be sought after.

The December 17, 1950, broadcast, entitled "Freedom in an Age of Danger," had the following participants: Robert Horn, William R. Ming, Jr., and Louis Wirth, all of the University of Chicago. All three participants criticized the Attorney General's list of Communist organizations and the McCarran Internal Security Act. Since no one who recognized the patriotic purpose of this list or of the act participated in the program, it was definitely unbalanced and slanted to the left.

The June 29, 1952, broadcast, a discussion of how to deal with Communist subversion, had as participants Daniel Bell of Columbia University, Dwight MacDonald, a journalist, and Quincy Wright of the University of Chicago. MacDonald attacked the Attorney General's list of subversive organizations, Senators McCarthy and McCarran, and the Smith Act. Bell also attacked the Smith Act. Wright attacked Senator McCarthy and the McCarran committee. No one participated in the program who had anything to say in favor of Senators McCarthy and McCarran, the Smith Act, or the Attorney General's list of subversive organizations.

I also found that on such controversial issues as the human-rights program of the United Nations, American foreign policy, and political and economic questions, little chance was given to conservative and nationalist views. Had the ideological balance of the program's participants alternated from week to week, we would not be forced to the suspicion that this was a propaganda sounding board.

C. The citizenship education project is slanted toward the left

Between 1949 and 1951, the Carnegie Corp. has granted to the Teacher's College of Columbia University for its citizenship-education project the sum of $1,417,550. Examination of this project indicates that, like the Encyclopedia of the Social Sciences and the University of Chicago roundtable broadcasts, it is slanted toward the left. One of the main accomplishments of the citizenship education project was a card file of 1,046 index cards which are sold to high schools for use of civics teachers. Each of the cards contains a summary and annotation of a book or pamphlet on political and social issues for the teacher's guidance in presenting a social problem to a class.

Examination of the 1950 card file shows that the great majority of books and other items selected for summary and annotation are leftist, liberal, and internationalist in their viewpoint and only a few are conservative and nationalist in their outlook. Actually there are only about 2 dozen cards which refer to material that is conservative in outlook—this is a very small percentage out of over 1,000 cards. Thus, the teacher who uses this card file has very few items to contrast against the liberal, leftwing, and internationalist items in the file.

In addition, leftist materials in the card file are most often annotated as "factual," and the few rightist materials are most often annotated as "opinionated." For example, card No. 554 refers to We Are the Government, by Elting and Gossett, and describes it as "factual, entertaining, descriptive, illustrative," while the book in reality is pro-Communist. Card No. 249 refers to a Mask for Privilege, by Carey McWilliams, and is described as "historical, descriptive." McWilliams is a notorious Communist. Card No. 901 refers to Building for Peace at Home and Abroad, by Maxwell Stewart, and is described as "factual, dramatic." Stewart has been named as a Communist. Card No. 1020 refers to The American, by Howard Fast, another notorious Communist who actually went to jail for contempt of this House, and is described as "historical, biographical."

The following are examples of how conservative works are torn down by the annotations: Card No. 809 refers to the Road to Serfdom, by Frederick A. Hayek, and is described as "factual, strongly opinionated, logical." Card No. 730 refers to Be Glad You're a Real Liberal, by Earl Bunting, diector of the National Association of Manufacturers, and is described as "opinionated, biased, descrip-

tive." While the works of Communists and fellow travelers are often referred to as factual, this pamphlet by Bunting is called opinionated. In addition, on the card, where the summary is given, the synopsis starts out by saying:

"Meaning of the word 'liberal' (as defined by the National Association of Manufacturers)."

While Communists and fellow travelers are not identified as such, this item is clearly labeled as to its political orientation. I shudder to think about the fate of those thousands of schoolchildren who are given this kind of misleading instruction, financed by a tax-exempt foundation.

D. The public affairs pamphlets edited by a Communist

The public affairs pamphlets have received support in the amounts of several hundreds of thousands of dollars from the Alfred P. Sloan Foundation. These pamphlets are prominently displayed and sold in many public libraries and are frequently used in high schools. Many hundreds of thousands of copies of these pamphlets are distributed annually. For numerous years Maxwell S. Stewart has been the editor of the public affairs pamphlets, which are published by the public affairs committee. He has been an associate editor of the Moscow News, and has taught in Moscow. Dr. Louis F. Budenz has identified Stewart as a member of the Communist Party in sworn testimony given before the McCarran committee.

The House Military Subcommittee charged in 1949 that the publications of the Public Affairs Committee, Inc., "are recommended by the Affiliated Schools for Workers"—Communist—"and sold by Communist bookstores." George Seldes, in his pro-Communist publication called In Fact, offered a free public affairs pamphlet as a bonus for renewal subscription for In Fact. Seldes said, in part:

"These pamphlets prepared by the Public Affairs Committee are, though popularly written, authoritative. You will find them an excellent source for dependable information."

One of the public affairs pamphlets, entitled "The Races of Mankind," by Ruth Benedict and Gene Weltfish, published in 1943, was banned by the USO and the Army. Ruth Benedict had Communist-front organization affiliations, and recently Weltfish refused to answer the question whether she has been a Communist, before a Senate committee. Maxwell Stewart has written numerous pamphlets, such as Industrial Price Policy, which is slanted toward the left; the American Way, which casts grave doubt on the value of the free-enterprise system; Income and Economic Progress, which follows a similar line of argument; and the Negro in America, in which he lauds such undoubted Communists as Paul Robeson, Langston Hughes, and W. E. B. DuBois, and does not consider anti-Communist Negroes as outstanding Negroes. Charles Edward Amory Winslow's pamphlet, Health Care for Americans, was recommended as supplementary reading in the Jefferson School of Social Science. Carey McWilliams, who has been named a Communist, also write such pamphlets as Small Farm and Big Farm, What About Our Japanese-Americans. Louis Adamic, an admitted Communist, wrote a pamphlet called America and the Refugees.

E. The NEA and PEA propagandize for socialism

The National Education Association and the Progressive Education Association have received major contributions from the General Education Board, one of the foundations dispersing Rockefeller tax-exempt money. The National Education Association and Progressive Education Association are very important because through them the foundations are reaching right into the public schools and are affecting millions of schoolchildren. By 1947, some $8 million was spent by the General Education Board on new educational goals and procedures, and among others the National Education Association and Progressive Education Association were generously supported in educational reorganization and experimentation. During the 1930's these 2 educational organizations received particularly large sums of money, and by 1940 the National Education Association received a total of $456,100 and the Progressive Education Association a total of $1,635,941. Just what kind of educational reorganization and experimentation was supported by the tax-exempt funds of the General Education Board?

The Progressive Education Association—PEA—in its official magazine called Progressive Education, on page 257 of the November 1947 issue, had a lead article by John J. DeBoer, president, American Education Fellowship—the American Education Fellowship is the present name of the PEA. DeBoer has extensive Communist-front affiliations. In his lead article, DeBoer said that the 1947 con-

vention of the American Education Fellowship—AEF—had such speakers as Langston Hughes and W. E. B. DuBois, whose affiliation with communism has already been indicated, and Curtis McDougall, who was a senatorial candidate on the Communist-dominated Wallace-Taylor-Kremlin ticket.

In the same magazine, on page 258, there is an article by Theodore Brameld, entitled "A New Policy for AEF." This article is a resolution for the American Education Fellowship, which was adopted at the 1947 convention to which DeBoer referred. The platform proposed by Brameld says on page 260 of the magazine:

"The two great constructive purposes which should now govern the American Education Fellowship follow directly from this brief analysis. They are:

"I. To channel the energies of education toward the reconstruction of the economic system, a system which should be geared with the increasing socializations and public controls now developing in England, Sweden, New Zealand, and other countries; a system in which national and international planning of production and distribution replaces the chaotic planlessness of traditional free enterprise; * * * a system in which the interests, wants, and needs of the consumer dominate those of the producer; a system in which natural resources, such as coal and iron ore, are owned and controlled by the people; a system in which public corporations replace monopolistic enterprises and privately owned 'public' utilities. * * *

"II. To channel the energies of education toward the establishment of genuine international authority in all crucial issues affecting peace and security; * * * an order in which international economic planning of trade, resources, labor distribution and standards, is practiced, parallel with the best standards of individual nations * * * an order in which world citizenship thus assumes at least equal status with national citizenship."

Is this an educational program or is it propoganda in favor of socialism and world government?

The ideology of the National Education Association was stated in 1934 by Willard E. Givens, who at that time was superintendent of schools at Oakland, Calif., and subsequently become executive secretary of the NEA, a post which he held for 18 years. Under the title "Education for the New America," in the Proceedings of the 72d Annual Meeting of the NEA, Givens said in 1934:

"This report comes directly from the thinking together of more thna 1,000 members of the department of superintendents (school superintendents). * * *

"A dying laissez-faire must be completely destroyed and all of us, including the owners, must be subjected to a large amount of social control. A large section of our discussion group, accepting the conclusions of distinguished students, maintain that in our fragile, interdependent society, the credit agencies, the basic industries, and utilities cannot be centrally planned and operated under private ownership.

"Hence they will join in creating a swift nationwide campaign of adult education which will support President Roosevelt in taking these over and operating them at full capacity as a unified national system in the interests of all of the people."

Is this an educational program or is it propaganda in favor of socialism? And why should the General Education Board, whose funds came from Rockefeller, who made his money under the free-enterprise system, support such propaganda?

In 1940 the General Education Board gave $17,500 to the National Association of Secondary School Principals and the National Council for the Social Studies, both divisions of the National Education Association, to prepare several teaching units which would provide teachers with resource material on social problems. One of these units was prepared by Oscar Lange and Abba P. Lerner and was called the American Way of Business. Both Lange and Lerner have been socialists for a long time, and Lange eventually renounced his American citizenship in order to become the Kremlin's Ambassador for Communist Poland to the United Nations. The American Way of Business, which was published by the National Education Association, is not an analysis of American business, but a propaganda tract for communism. Why should tax-exempt funds be used to enable two Socialists to write a propaganda piece on American business enterprise?

I also want to raise the significant question whether it is a coincidence that during the time when the National Education Association and the Progressive Education Association received particularly large grants and the American Way of Business was financed, the director for General Education, the division of the

General Education Board under which these grants were made, was Robert J. Havighurst, who has extensive affiliations with Communist fronts.

The five examples I have given of the use of tax-exempt funds are just indications of the kind of problems which a committee of the 83d Congress should thoroughly explore. These few examples are in my mind sufficient to justify a thorough inquiry. These examples do not involve just a grant of a few thousand dollars to a person who happens to be a Communist, but involve giving millions of dollars for many years to pro-Socialist and pro-Communist propaganda projects that are vitally affecting our children in our schools and have a tremendous influence over the public mind.

SUBVERSIVE AND PRO-COMMUNIST AND PRO-SOCIALIST PROPAGANDA ACTIVITIES OF THE FORD FOUNDATION

To illustrate the dubious staff and the many subversive and propaganda activities of the Ford Foundation, I offer the following examples from the extensive documentary evidence which I have in my possession:

1. Dubious staff of Ford Foundation

A. The record of Messrs. Berelson and Moseley: Bernard Berelson is the director of the Ford Foundation's Behavioral Sciences Division, which has just been allotted $3,500,000 for the creation of a center for advanced study in behavioral sciences, which will consider social relations in human behavior. Berelson, while on the faculty of the University of Chicago, served on a committee to welcome the Red dean of Canterbury, the Very Reverend Hewlett Johnson, world renowned apologist for communism who sports a Soviet decoration for his work in behalf of his Kremlin masters. The welcoming committee for the Red dean of Canterbury was organized under the auspices of the National Council of American-Soviet Friendship, an agency which has been cited as subversive and Communist by the Attorney General of the United States.

The East European fund was established by the Ford Foundation, is financed by it and deals with issues relating to the Soviet Union and its European satellites, and particularly with the settlement and adjustment of Soviet refugees who have come to the United States. The president of this fund is Philip E. Moseley, who is also director of the Russian Institute at Columbia University. Some years ago Professor Moseley made the following evaluation of the Soviet Union in a pamphlet he wrote for the Foreign Policy Association, also supported by foundations:

"Over the long run, great numbers of people will judge both the Soviet and American systems, not by how much individual freedom they preserve but by how much they contribute, in freedom or without it, to develop a better livelihood and a greater feeling of social fulfillment."

Garet Garett, editor of American Affairs, said that this is straight Communist Party ideology:

"It means only that pure Communist ideology may be thus imparted by Columbia University's Russian Institute through the Foreign Policy Association."

Philip C. Jessup and Ernest J. Simmons are members of the administrative board of the Russian Institute at Columbia University, which is headed by Moseley. Professor Simmons is the editor of a book entitled "U. S. S. R.," which grew out of studies at Cornell University that were financed by the Rockefeller Foundation. At least 15 of the 20 contributors of this symposium edited by Simmons are pro-Soviet and none of the other 5 has ever been known as critics of the Soviet Union. Moreover, Professor Simmons has affiliations with Communist fronts.

B. The record of Mr. Gladieux: Another officer of the Ford Foundation is Bernard Louis Gladieux, former secretary to and protege of Henry Wallace. Gladieux entered Federal service in 1938 in Chicago with the Federal Works Agency, transferred to the Labor Department, Wage and Hour Administration, from there to the Bureau of the Budget, then to War Production Board, leaving the WPB on November 23, 1944, to go with UNRRA. On March 2, 1945, Henry Wallace was sworn in as Secretary of Commerce, and on April 30, 1945, he named Bernard L. Gladieux as his executive assistant. Gladieux remained in the Department of Commerce until October 1, 1951, when he was appointed as an officer of the Ford Foundation in charge of the New York office and as assistant to the president of the Ford Foundation.

I have been advised by a reliable and responsible source that Bernard L. Gladieux, while in Government service in Washington, had in addition to official

association in the ordinary course of business, social contacts with the following persons: William W. Remington, Michael J. Lee, Harry Samuel Magdoff, Philip M. Hauser. Magdoff was identified before a committee of the House in 1948 as a member of a Soviet spy ring. He recently appeared before the Senate Internal Security Committee and dived behind the fifth amendment when asked the $64 question. William W. Remington is in jail serving a term for denying that he was a Communist Party member while in the secret cell of Communists in the Tennessee Valley Authority. Michael J. Lee was fired from the Department of Commerce for disloyalty. Dr. Philip M. Hauser, a former professor at the University of Chicago, who wrote pro-Russian speeches for Henry Wallace, has not as yet been called as a witness by the committees who have investigated him and his activities.

Advice was also furnished to me that no investigation of Bernard L. Gladieux' loyalty had even been requested or made while he was in Federal service. But a review of hearings held pursuant to Senate Resolution 230, 81st Congress, 2d session, by a subcommittee of the Senate Committee on Interstate and Foreign Commerce, certainly indicated that Gladieux' loyalty should have been investigated. A Member of the Senate took the witness stand before the committee and, after first being duly sworn as a witness, testified as follows:

"I understand that one Bernard L. Gladieux, of the Secretary's office, who is a protege of Henry Wallace, has exercised the power of nullifying decisions of the so-called loyalty board. In other words, if it found he was cleared of actual disloyalty but recommended as a poor security risk, not a good security risk, then someone overruled that finding."

Now, I am informed that it could be, probably is, Mr. Gladieux.

Mr. Gladieux never appeared before the Senate committee to answer the changes against him which were made on March 28, 30, and April 4, 1950. However, Mr. Gladieux was a witness on February 27, 1950, before a House Appropriations Subcommittee, of which the gentleman from New York, Mr. Rooney, was chairman, and the gentleman from Pennsylvania, Mr. Flood, the gentleman from Georgia, Mr. Preston, the late Hon. Karl Stefan, of Nebraska, and the gentleman from Ohio, Mr. Cliff Clevenger, were members.

At page 2341 the gentleman from New York (Mr. Rooney) stated:

"The story this year is that the Department of Commerce has taken the place of the State Department; that the Department of Commerce is the outfit in Government which is honeycombed with people belonging to the Communist Party."

Mr. Flood, on page 2346, made the following statement:

"You are executive assistant to the Secretary of Commerce, and after 2 hours of examination and cross-examination here I have not the faintest idea of your personal attitude toward this kind of case, which is a borderline case, or frankly on a case where anything else is concerned. I am very unhappy about your own point of view. Do you appreciate that?"

On page 2362, Mr. Gladieux, as the hearings were about to close, made a lengthy statement, to which the gentleman from New York (Mr. Rooney), on page 2363, replied as follows:

"That is all so much nice language. To me it does not mean a thing. You have come up here this afternoon to acquaint us with the situation in the Department of Commerce. The results have been nil. We have not had the cooperation from you that we have had from the Department of State.

"You refused to take us into your confidence with regard to these things, and I have tried to handle it in an amicable way so that if questions were raised on the floor we might have the answers to them. You have reacted in the other direction, away from us. So now we are far apart, and we will have to stay that way. There is nothing that I can see that we can do about it."

Senator Karl Mundt, speaking before the Senate, made the remark that—

"In 1950 the junior Senator from Nevada (Mr. Malone) rose on this floor to suggest that certain persons in the Department of Commerce were dangerous security risks."

Senator Mundt went on to say that a committee was created to investigate the charges made by Senator Malone, but that "after 3 or 4 days' hearing, Secretary of Commerce Sawyer rushed up to the Hill and agreed to fire the two men whom I had drawn into the net—Lee and Remington—if the hearing could be stopped." Continuing, Senator Mundt stated:

"I did not hear that agreement, but I know it was made, because I could never get the committee together again.

"I was really after Mr. Gladieux, secretary to the Secretary of Commerce, and

Mr. Blaisdell, who was and had been during the troublesome period in China in charge of that matter under my attack. They, Mr. Gladieux and Mr. Blaisdell, subsequently quit for reasons best known to themselves—they knew we were on their trail.

"I believe that is why they quit."

Is it possible that the trustees of this huge foundation never made any investigation of Mr. Gladiuex or checked with the FBI to determine his loyalty to his country?

B. The record of Robert Maynard Hutchins: The keyman in the Ford Foundation is Robert M. Hutchins, formerly chancellor of the University of Chicago. His formal position with the Ford Foundation is that of associate director, but, in effect, he has been running the foundation. While Hoffman was the president, Hutchins' prominent position was made possible by the fact that Hoffman considers Hutchins as the greatest living educator and literally worships him. With the resignation of Hoffman as president of the foundation, H. Rowan Gaither, a San Francisco attorney, became president of the foundation. But Gaither is a mere figurehead and Hutchins is still running the foundation. Gaither has accepted the presidency only for a year, and thus Hutchins may yet become the formal head of the organization. But even without such a formal presidency, in view of the facts stated above, Hutchins in effect runs the Ford Foundation.

In his capacity as the policymaker of the Ford Foundation, Hutchins possesses a completely unprecedented financial power over education, the humanities, and the social sciences. By giving or withholding grants, Hutchins is in position to insinuate his views into any aspect of American intellectual life. Therefore, it is essential to inquire about Hutchins' views and his record concerning the Communist menace.

Testifying in 1949 under oath before the Illinois Seditious Activities Investigation Commission inquiry into subversive activities at the University of Chicago, Hutchins admitted that he was a sponsor of the October 1948 meeting of the bureau on academic freedom of the National Council of Arts, Sciences, and Professions.

Regarding the Methodist Federation of Social Action, Hutchins has said:

"Believe you are advancing the cause of true Americanism."

The first page of the publication of the Methodist Federation for Social Action, where this quotation appears, asserts that the federation rejects the profit motive and favors a classless society. Does Hutchins think that such an ideology constitutes true Americanism?

The University of Chicago, under Hutchins' administration, has distinguished itself as the only institution of higher learning in America which has been investigated five times for immoral or subversive activities. These investigations are: First, Illinois State Senate inquiry, 1935; second, University of Chicago alumni committee, 1947–48; third, University of Chicago board of trustees, 1948; fourth, Illinois Seditious Activities Investigation Commission, March–June 1949; fifth, investigation and subsequent report to the Illinois Legislature by State Representative G. William Horsley, Springfield, 1949. The first investigation was a whitewash; the second requested the resignation of Hutchins; the third held its deliberations in secret; and the fourth and fifth did not clear the university. Both the majority report of the Illinois Seditious Activities Commission and the independent report of Representative Horsley condemned the university's administration severely and asked the legislature to deny tax exemption.

At the hearings of the seditious activities commission of the Illinois Legislature at the 1949 investigation of the University of Chicago, Hutchins, after being sworn in, testified as follows:

"The subpena which I have received summons me to testify concerning subversive activities at the University of Chicago. This is a leading question, and the answer is assumed in the question. I cannot testify concerning subversive activities at the University of Chicago because there are none."

At the same hearings, Hutchins was asked the following question and made the following response:

"Question. The records which I shall present through other witnesses show, in summary, that some sixty-odd persons listed in the latest available directory of the University of Chicago as professors or professors emeritus have been affiliated with 135 Communist-front organizations in 465 separate affiliations. Is that not something for which the university might well be alarmed?

"Answer. I don't see why."

In the course of the same investigation it was disclosed that there were Communist and pro-Communist student organizations on Hutchins' campus. The student Communist club was freely admitted by Chancellor Hutchins, who said "the club has not sought to subvert the government of this State."

In his testimony before the same investigation, Hutchins stated that "It is not yet established that it is subversive to be a Communist."

It must be noted that this testimony was given more than a year after the start of the Berlin airlift.

At the same investigation Hutchins was asked the following question to which he made the following response:

"Question. Do you consider that the Communist Party in the United States comes within the scope of a clear and present danger?

"Answer. I don't think so."

Hutchins was also asked: "Are you aware that the Communist-front organization is a part of the Communist movement, just as much as the party itself?

"No."

Then he was asked: "You haven't attempted to make a study of the Communist Party?

"No, I haven't," Hutchins replied.

He was also asked: "Is there any doubt that the Communist Party is a conspiratorial fifth column operated in the interest of a foreign state?

"I am not instructed on this subject," Hutchins answered.

Such was the attitude of Hutchins toward communism after the start of the Berlin airlift, and at a time when the United States was spending billions of dollars abroad to fight communism.

On June 25, 1951, the Daily Worker, on page 2 under the headline "Ford Foundation Head Joins Blast at High Cost O. K. for Smith Act," the following item appeared under a Chicago dateline of June 24:

"Prof. Robert M. Hutchins, former chancellor of the University of Chicago and now associate director of the Ford Foundation, joined with Osmond K. Fraenkel, noted New York attorney, opposing the Supreme Court decision upholding the conviction of the 11 convicted Communist Party leaders. Dr. Hutchins said that the majority decision indicates that we are at last up against a great crisis in this country. He spoke of the ruling as a complete reversal of earlier precedents set by the high Court * * *. Speaking here at an American Civil Liberties Union meeting in his honor, Dr. Hutchins declared that 'it may now become more difficult for us to take some of the positions we have in the past.' He referred to his stated willingness to hire Communists as university professors. Hutchins told the Illinois Legislature that he would even take back into the university faculty Oscar P. Lange, who, as I pointed out before, renounced his American citizenship to become Moscow's Ambassador for Communist Poland to the United Nations. 'We may even have to decide whether we must violate the law in order to remain in conformity with our convictions,' he said."

Hutchins wrote the introduction to a book entitled "Character Assassination," published in 1950, which was written by Jerome Davis, who has been in more than 40 Communist-front organizations. Hutchins also wrote the foreword to a book entitled "Political and Civil Rights in the United States," published in 1953 by Thomas I. Emerson and David Haber. Louis Budenz, testifying under oath, named Emerson as a member of the Communist Party, a charge which Emerson denied. But Emerson has been in a large number of Communst fronts and was head of the Communist-controlled National Lawyers Guild, the legal arm of the Communist Party in the United States. There is no doubt that the National Lawyers Guild is a subversive organization, and it has been cited officially as much.

Hutchins, whose attitudes I have illustrated, is the key man in the Ford Foundation, which owns outright some 374,000 shares of stock of the 400,000 shares of stock in the Ford Motor Co., one of the biggest industrial giants in the whole world. The stockholdings, according to Henry Ford II, amount to 90 percent of the outstanding stock of the Ford Motor Co. Recently the New York Times magazine pointed out that the Ford Foundation is the "virtual owner of the gigantic Ford Motor Co." According to Paul Hoffman, then president of the Ford Foundation, the Ford Foundation had made grants of $72 million in 2 years, 1951–52.

So it may readily be seen that a grant of $15 million, to protect the civil liberties of Communists and to investigate the Congress of the United States, from the tax-exempt millions of the income from the stock of the late Henry

Ford, a man of sterling character and unblemished reputation whose industrial genius helped build America, and whose faith in our institutions and our American way of life was never shaken, is really peanuts to the Ford Foundation which deals out grants with a lavish hand, both to the left and the right, mostly left. Here is the last of the great American industrial fortunes, amassed in a competitive, free market place in the last 50 years, being used to undermine and subvert our institutions, $15 million being set aside to investigate the Congress of the United States. What a sad tribute to the man we all respected and loved, Henry Ford. He was a symbol of outstanding commonsense and public virtue. Never would he have approved such tactics by the Ford Foundation, to which he left his fortune estimated at over a half-billion dollars in stock in the Ford Motor Co., the earnings of which go directly into the tax-exempt Ford Foundation.

In view of the attitude of Hutchins toward communism, it is not at all surprising that the Ford Foundation has made some highly dubious grants. I offer the following examples for your consideration:

2. Ford Foundation's support of communism and Socialist propaganda

A. Grant to aid Communists and to discredit their investigation: I have already referred to the $15 million grant to investigate the Congress of the United States and its committees. In a recent broadcast Eric Sevareid, a CBS commentator who has long opposed congressional investigations of communism, and openly defended John Stewart Service, 1 of the 6 persons arrested by the FBI in the Amerasia case, enthusiastically praised this $15 million fund and called Hutchins "the driving spirit behind this new crusade." There can be no question that Hutchins is behind this new Ford Foundation project, for he has consistently expressed his concern for the civil liberties of Communists. Since we know Hutchins' attitude toward communism and we know that his conception of civil liberties is similar to that of the Communists, we can be sure that the new Ford Foundation project will aid the Communist conspiracy and will try to discredit all those who fight it. This will undoubtedly happen, for the chairman and the president of the new Ford Foundation project are mere figureheads and fronts and Hutchins is dominating the project.

The gentleman from California, Mr. Jackson, said on this floor that "Needless to state, the investigations proposed by the Ford Foundation will be greeted with enthusiastic approval from Shanghai to East Berlin. The approval will not be given voice by the silent millions of captive peoples, but by the commissars and their agents."

He aptly characterized this 15 million project by saying that it "will serve only to lend additional aid and comfort to the Communist Party." The American Legion's newsletter, the Firing Line, stated that this project is regarded by many anti-Communists as "a huge slush fund for a full-scale war on all organizations and individuals who have ever exposed and fought Communists."

In passing, it should be pointed out that the Ford Foundation's effort to discredit legislative inquiries into Communists activities is not unique inasmuch as the Rockefeller Foundation has undertaken, on a smaller scale, a project with the same intention. In 1947 the Rockefeller Foundation made a grant of $110,000 to Cornell University to conduct a study on civil liberties and the control of subversive activities. This project resulted in the publication of a series of books attacking legislative investigations of Communists activities, volumes full of typical pro-Communist distortion. One of the authors of these volumes was Prof. Walter Gellhorn, of Columbia University, who has Communist-front affiliations and who has explicitly demanded the abolition of the House Committee on Un-American Activities. Recently Gellhorn was identified, in testimony given under oath, as a member of the Communist Party, a charge which he denied.

It should also be pointed out that at least one foundation has used its funds not only to discredit the investigation of Communists, but to support directly Communists fronts and to aid Communists on trial.

On September 24, 1942, the gentleman from Texas [Mr. Dies], in a speech in the House, showed that the Robert Marshall Foundation of New York was supporting Communist fronts and Communist causes, and he listed the actual disbursements made from the estate of the late Robert Marshall, a Red New Dealer from the Department of Agriculture, who left an estate of over a million and a half dollars to the foundation and named trustees, most of whom were radicals and Reds. This is the same foundation which the gentleman from Illinois [Mr. Velde], in a speech in the House on October 17, 1951, exposed

as being the provided of the sum of $20,000 in attorney fees to Joe Rauh, chairman of the executive committee of Americans for Democratic Action and attorney for the convicted perjurer and Soviet spy, William Walter Remington, who is now in jail serving time for betraying his country in wartime and falsely denying Communist Party membership while in a secret cell of the Communist Party in the Tennessee Valley Authority. One of the trustees of the Robert Marshall Foundation was and is Edwin S. Smith. This is the same Smith that President Roosevelt put on the National Labor Relations Board. On May 21, 1953, this same Edwin S. Smith was summoned before the Senate Internal Security Subcommittee, and when asked if he was a Communist, he immediately dived behind the fifth amendment and claimed privilege.

B. Arthur Schlesinger, Jr., of Americans for Democratic Action employed by Ford Foundation; According to page 34 of the 1951 Annual Report of the Fund for Adult Education, a subsidiary of the Ford Foundation, the TV-Radio Workshop, administered by the fund for adult education, hired Arthur Schlesinger, Jr., as commentator for a series of 12 weekly broadcasts. Schlesinger, of course, is a big shot in the ADA. The following public statements by Schlesinger are worthy of note:

In 1946 Schlesinger wrote that the present system in the United States makes "even freedom-loving Americans look wistfully at Russia."

On December 11, 1949, on page 3 of the New York Times, Schlesinger said:

"I happen to believe that the Communist Party should be granted freedom of political action and that Communists should be allowed to teach in universities, so long as they do not disqualify themselves by intellectual distortions in the classrooms."

On August 18, 1946, on a University of Chicago Round Table broadcast entitled "What Is Communism?" Schlesinger said:

"Surely the class struggle is going on in America. I would agree completely with the Communists on that."

Schlesinger was then asked:

"Do you mean that capitalism is dead everywhere except in the United States?"

He replied: "It is dead."

In answer to the question, "What did it die of?", he said:

"It died of itself. There is much to what the Marxists used to say about capitalism containing the 'seeds of its own destruction'."

Schlesinger, in a public-affairs pamphlet of 1950, entitled "What About Communism?" criticized the Committee on Un-American Activities and said that it was more interested in slandering and smearing liberals than in exposing real Communists. He said:

"The methods of the witchhunt, especially when employed from the ambush of congressional immunity, are sometimes almost as dangerous to democracy as the methods of the Communists themselves."

He also said:

"With the formation of Americans for Democratic Action, liberals who believed in a non-Communist left acquired an organization of their own."

As the gentleman from California [Mr. Jackson] pointed out concerning the grant of $15 million to investigate the House and Senate, the money might have been better spent by the Ford Foundation to help ferret out and expose the subversion in our schools and our universities, or the Ford Foundation might have done something about the Ford plants in the Detroit area which the gentleman from California described as a seething mass of Communist conspiracy and intrigue, where thousands of unsuspecting and loyal American workers were being duped and held in a tight grip by the Communist leadership of Local 600 of the United Automobile Workers of America. Local 600 is the largest labor union in the world and has, or did have, some 60,000 members, and still it is classified as just one local union of the United Automobile Workers of America.

In February, March, and April, 1952, the House Committee on Un-American Activities held open public hearings in Detroit, and witness after witness took the stand and testified under oath as to the Communist domination and control of local 600 by the Kremlin. So the committee issued subpenas for the officers of local 600 at the Ford plants and brought them before the committee and asked them if they were Communists. Not a single officer of local 600 answered the question. They took refuge in the fifth amendment, refusing to answer on the grounds to do so would incriminate them. Yet they still work for Ford.

Now you would think that when a congressional committee, a committee of this House, goes to Detroit to hold hearings regarding Communists in the Ford plants that the Ford Motor Co. would assist. Exactly the opposite was true. Not

only did they offer the committee no assistance, but when requested to cooperate with the committee in ferreting out and exposing these agents of the Kremlin in the Ford plants, they refused.

The House Committee on Un-American Activities got absolutely no help from the Ford Motor Co., but, even worse, the national leadership of the United Automobile Workers headed by Walter Reuther, now president of the CIO, was no better off. They finally had to pass an amendment to the union constitution at the national convention, held in Atlantic City recently, to authorize the national officers to remove these Communists from the domination and control of local 600.

So, instead of the Ford Foundation voting $15 million to investigate Congress, they might well clean up their own backyard first, their plants and the Ford Foundation, too.

B. Grant to a Communist: Another example of the kind of grants the Ford Foundation makes was revealed in the testimony of William M. Canning, a former member of the faculty of the City College and of Xavier University, who said under oath at the hearings of the Internal Security Subcommittee that Moses Finkelstein, a City College teacher and later a professor at Rutgers University, under the name of Finley, was a member of the Communist Party and that recently this man received a grant from the Ford Foundation.

C. Grant to an organization supposedly controlled by a Communist: I have been advised by a reliable source that an organization which has received substantial grants not only from the Ford Foundation, but also from the Carnegie Corp., is supposed to be dominated by a Communist who dictates the policy of the organization. It would be unfair for me to provide specific information on this matter until witnesses are put on the stand to give their testimony under oath.

D. Grant to a person who wants to abolish the United States: Another dubious grant of a different character was made to Mortimer Adler, who received $600,000 from the Ford and Mellon Foundations to set up the Institute of Philosophical Research. Professor Adler is such an ardent advocate of world government that, according to the Cleveland Plain Dealer, October 29, 1945, he said:

"We must do everything we can to abolish the United States."

It would be interesting to find out just what kind of philosophical conclusions Professor Adler will arrive at with reference to the virtues of patriotism and government based on unalienable rights of men.

E. Grant to promote socialism: According to the Ford Foundation Annual Report for 1951, the foundation has granted $50,000 to the Advertising Council, Inc., for "a restatement of the principles of American society." The council's public policy committee includes, in addition to Paul Hoffman, former president of the Ford Foundation, and Chester C. Davis, its associate director, several persons who have Communist-front affiliations.

The Miracle of America, a publication of the Advertising Council, Inc., states that the public-policy committee of the Advertising Council approves and endorses the economic-education program of the council. This program is described in the Miracle of America under the title "Platform for All Americans." This platform starts out like a firecracker Fourth of July patriotic speech and then turns out to be a rewrite of the British Labor—Socialist—Party program. Adoption of this platform would guarantee the success of any Socialist legislation in America. The Miracle of America, containing this platform, has been circulated by hundreds of thousands by the Advertising Council as a part of its campaign of public information. Is this an educational program or is it propaganda in favor of socialism?

F. Grant to pro-Communist India: The Ford Foundation has singled out India for some of its largest grants and is spending millions of dollars in that nation. Is there some special significance to singling out India for large Ford Foundation grants, in view of the fact that the head of the Indian Government is more sympathetic to the Soviet Union than toward the United States, and that he wants the United States to recognize Red China and admit that Communist nation, which is slaughtering Americans in Korea, to the United Nations? I am greatly concerned with what is being done with the Ford Foundation millions in India. That nation is a potential ally of the Soviet Union, and if the Ford Foundation projects in any way are fostering a pro-Soviet attitude in India, the consequences may be disastrous for the future of America.

The stakes are very high, for if India should definitely become a Soviet ally, the power of the Kremlin's bloc would be immeasurably increased. My fear of what the Ford Foundation might be doing in India is increased by the fact that in the case of China the activities of the Rockefeller Foundation in that

nation helped, instead of hindered, the advance of communism. The late gentleman from Georgia, Mr. Cox, on August 1, 1951, made the following statement in this Chamber, with reference to the guilt of the Rockefeller Foundation for the triumph of the Communists in China:

"The Rockefeller Foundation, whose funds have been used to finance individuals and organizations whose business it has been to get communism into the private and public schools of the country, to talk down America and to play up Russia, must take its share of the blame for the swing of the professors and students in China to communism during the years preceding the successful Red revolution in China. For two generations, the Rockefeller Foundation played a guiding role in higher education in China. Over a period of 32 years $45 million of Rockefeller money was expended in China, most of it going to Chinese institutions of higher learning. If the Rockefeller fund spenders had had even an elementary conception of what was going on among the Chinese teachers and students, they would have taken steps to halt the stampede of the Chinese colleges to communism. When the crisis of the Chinese revolution came, it was the student and teacher element, educated largely with Rockefeller money, who were the backbone of the Red success. Our boys are now suffering and dying in Korea, in part, because Rockefeller money encouraged trends in the Chinese colleges and schools which swung China's intelligentsia to communism."

What has happened once can happen again, and I am sure that my colleagues in this Chamber share my anxiety as to the future of India and what the Ford Foundation is doing there—whether its activities are of such nature as to hamper India's orientation toward the Kremlin or to assist and augment it? In addition to the Rockefeller Foundation's activities in China, the Institute of Pacific Relations, supported mainly by foundations, played a major part in the success of the Chinese Red revolution. The McCarran committee's extensive investigation of the Institute of Pacific Relations showed how this organization, financed primarily by the Rockefeller Foundation and the Carnegie Corp., played the Kremlin's game with reference to China, and how it made possible the transformation of Nationalist China, our ally, into Red China, our enemy, with whom we are engaged in a bloody war. This investigation was a post mortem—it took place after China had been sold out to the Kremlin. But how much more useful it would be for a congressional committee to try to prevent by exposure any sort of activity, financed by the Ford Foundation, which may have a similar effect in India as the Rockefeller and Carnegie Foundations' activities had in China.

The few examples I have given in regard to some of the officers of the Ford Foundation and its subsidiaries, and in regard to some of their activities, certainly warrant a thorough inquiry into their officers and all of their extensive activities, which reach not only into every area of American intellectual life, but also into the far corners of the earth.

Mr. HAYS. I want to finish on this—and I do not see anything similar to the paragraph that Mr. Reece has shown me. If you are going to leave the statement, that foundations have not been asked why they did not support projects of a pro-American type, it leads me to believe that the staff is of the opinion that they did not or have not. If you are of that opinion——

Mr. DODD. It was not meant to convey that, Mr. Hays.

Mr. HAYS. I would still like to have a definition of pro-American.

Mr. DODD. May I answer?

Mr. WORMSER. May I interrupt Mr. Dodd?

Mr. HAYS. If you mean by pro-American, if they have not contributed research that led them to the thinking of McKinley, Ulysses S. Grant, and Cohn and Schine, I am not for that in any case. But if pro-American means what I think it means, that is a very serious indictment. If pro-American means the pre–1900 isolationist policy of one of the political parties, I want to disagree with that definition of pro-American, because that does not mean pro-American to me.

Mr. WORMSER. Mr. Hays, may I make a suggestion? We can, I think, give you a reference to the Cox hearings in which that question

was asked and the term pro-American activities was used. That is where it was gotten.

Mr. HAYS. Yes; but Mr. Dodd makes the statement here, the implied statement that foundations have not contributed to the pro-American activities.

Mr. WORMSER. I would like him to answer that, but I do not think he meant to imply that.

Mr. HAYS. I think that is the crux of the whole statement he made so far. If the thing is going to turn on that, then we ought to have a definition of this term.

The CHAIRMAN. If the gentleman will yield, I never understood Mr. Dodd to say that the foundations had not contributed anything of so-called pro-American activities, but he said the charge had been made or the criticism had been made that their donations, grants, or assistance had been weighted against the so-called pro-American activities. But Mr. Dodd can best answer that himself.

Mr. HAYS. Let me read again what Mr. Dodd said yesterday. It is on page 39 of the report. He says, "From our point of view there seem to be eight criticisms which had been made of the work of the Cox committee." I will not read all of them, but he goes down to this one, which looks like the sixth, that foundations had not been asked why they did not support projects of a pro-American type. If that does not imply that they did not support it, I do not know what does. I want that clarified right now.

Mr. DODD. May I answer it, Mr. Hays?

Mr. HAYS. Surely, I would like you to.

Mr. DODD. That was nothing more than listing what had been set forth as the type of criticisms, and we found they had been leveled against the work of the Cox committee. The effort of the staff was to include that portion of research which would enable eventually to have those criticisms answered. That is all that statement is in there for.

Mr. HAYS. Then has the staff found any evidence that the foundations have granted aid to pro-American projects?

Mr. DODD. Yes, sir. If you will refer to the statement which I made in the foreword, in which I believe——

Mr. HAYS That is clear enough for me. I just wanted to clarify the point that there had been, and we are not starting out with an indictment that they had never done anything pro-American.

Mr. DODD. Oh, no.

The CHAIRMAN. If the gentleman will permit an interruption, I undertook to make that clear in my opening statement yesterday.

Mr. HAYS. I appreciate that. I did not want that statement to go unchallenged. I still say I think we ought to have from the point of view of the staff a definition of what you mean by "pro-American." I do not insist on it at this minute, but I think along with your definitions, I think we ought to get it in the record.

The CHAIRMAN. You can do that, can you not?

Mr. HAYS. Later.

Mr. DODD. Not only that, sir, but it would seem to me to be the opposite of the working definition which the staff used as to what was un-American, which was the definition that we obtained from Brookings.

The CHAIRMAN: You and Mr. Wormser work out that in connection with your other definition.

Mr. DODD. Mr. Chairman, may I refer Mr. Hays to this statement in the foreword that bears on this question which he has asked.

Mr. HAYS. Do you have the page number?

Mr. DODD. I have not.

Mr. HAYS. All right; read it.

Mr. DODD. I am reading from the foreword, which was the statement made by me as I started yesterday's testimony.

> And in the vast majority of instances, they—

That is the benefit created by foundations—

> must be regarded as beyond question either from the standpoint of their conformity to the intentions of their donors or from the standpoint of the truly American quality of their consequences.

Mr. HAYS. That is fine. I am glad to have that read again, because yesterday the public address system was not working too well, and we did not have a copy of what you were saying. It is very probable that we missed several important things that you said.

Mr. DODD. May I ask if you can hear me all right now?

Mr. HAYS. I can hear you; yes.

That is all I have, Mr. Chairman.

The CHAIRMAN. You may proceed, then.

Mr. WORMSER. Mr. Chairman, I would like to give the committee the benefit of a few excerpts which illustrate some of the things Mr. Dodd said yesterday, and is to say today. I think it would be better if I introduced those or offered them after he has finished his complete recitation.

The CHAIRMAN. Without objection, and any of the insertions, I think, should come at the end of Mr. Dodd's statement, rather than during.

Mr. DODD. May I proceed, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. DODD. I am going on from where we left off yesterday where I mentioned that there were several entities other than strictly educational institutions which we felt we would have to include in our studies. I mentioned them by name. To characterize some of these briefly:

The American Council of Learned Societies was founded in 1919 to encourage humanistic studies, including some which today are regarded as social sciences. It is comprised of 24 constituent member associations. In its entirety, it appears to dominate scholarship in this country.

The National Research Council was established in 1916, originally, as a preparedness measure in connection with World War I. Its charter was renewed in 1919, since which time, on behalf of its eight member associations, it has been devoted to the promotion of research within the most essential areas ordinarily referred to as the exact and applied sciences.

The Social Science Research Council was established in 1923 to advance research in the social sciences. It acts as spokesman for seven constituent member associations representing all of the major subdivisions of this new field of knowledge, i. e., history, economics, sociology, psychology, political science, statistics, and anthropology.

The American Council on Education was founded in 1918—

to coordinate the services which educational institutions and organizations could contribute to the Government in the national crisis brought about by World War I.

Starting with 14 constituent or founding organizations, this formidable and influential agency has steadily expanded until today its membership is reported to consist of 79 constituent members (national and regional educational associations); 64 associate members (national organizations in fields related to education); 954 institutional members (universities, colleges, selected private school systems, educational departments of industrial concerns, voluntary associations of colleges and universities within the States, large public libraries, etc.).

The National Education Association was established in 1857 to elevate character, advance the interests of the teaching profession, and to promote the cause of popular education in the United States. Broadly speaking, this powerful entity concentrates on primary and secondary schools. Its membership is reported to consist of 520,000 individuals who include, in addition to teachers, superintendents, school administrators, and school secretaries. It boasts that it is—

the only organization that represents or has the possiblity of representing the great body of teachers in the United States—

thus inferring a monopolistic aim.

The League for Industrial Democracy came into being in 1950, when it was known as the Intercollegiate Socialist Society, for the purpose of awakening the intellectuals of this country to the ideas and benefits of socialism. This organization might be compared to the Fabian Society in England, which was established in 1884 to spread socialism by peaceful means.

The Progressive Education Association was established around 1890. Since then it has been active in introducing radical ideas to education which are now being questioned by many. They include the idea that the individual must be adjusted to the group as a result of his or her educational experience, and that democracy is little more than a system for cooperative living.

The American Historical Association was established in 1889 to promote historical studies. It is interesting to note that after giving careful consideration, in 1926, to the social sciences, a report was published under its auspices in 1934 which concluded that the day of the individual in the United States had come to an end and that the future would be characterized, inevitably, by some form of collectivism and an increase in the authority of the state.

The John Dewey Society was formed in 1936, apparently for the twofold purpose of conducting research in the field of education and promoting the educational philosophy of John Dewey, in honor of whom the society was named. It could be supposed that those who were members of this organization would be devoted to the premises upon which Mr. Dewey had based his experiments in education since 1896. Basically, these were pragmatic and a stimulus to empirical thinking. He held that ideas were instruments and their truth or falsity depended upon whether or not they worked successfully.

The broad study which called our attention to the activities of these organizations has revealed not only their support by foundations,

but has disclosed a degree of cooperation between them which they have referred to as "an interlock," thus indicating a concentration of influence and power. By this phrase they indicate they are bound by a common interest rather than a dependency upon a single source for capital funds. It is difficult to study their relationship without confirming this. Likewise, it is difficult to avoid the feeling that their common interest has led them to cooperate closely with one another and that this common interest lies in the planning and control of certain aspects of American life through a combination of the Federal Government and education.

This may explain why the foundations have played such an active role in the promotion of the social sciences, why they have favored so strongly the employment of social scientists by the Federal Government, and why they seem to have used their influence to transform education into an instrument for social change.

We wish to stress the importance of questioning change only when it might involve developments detrimental to the interests of the American people, or when it is promoted by a relatively small and tightly knit group backed by disproportionately large amounts of money which could threaten the American ideal of competition.

In summary, our study of these entities and their relationship to each other seems to warrant the inference that they constitute a highly efficient, functioning whole. Its product is apparently an educational curriculum designed to indoctrinate the American student from matriculation to the consummation of his education. It contrasts sharply with the freedom of the individual as the cornerstone of our social structure. For this freedom, it seems to substitute the group, the will of the majority, and a centralized power to enforce this will—presumably in the interest of all. Its development and production seems to have been largely the work of these organizations engaged in research, such as the Social Science Research Council and the National Research Council.

The demand for their product seems to come from such strong and sizable aggregations of interests as the National Educational Association and the American Council on Education, whose authorities seem to see in it the means by which education can render a national service. They make frequent reference to this service as "synonymous with the cause of education" and tend to criticize strongly anyone who dares to doubt the validity of their conclusions.

Its promotion appears to have been managed by such organizations as the Progressive Education Association, the American Historical Association, the League for Industrial Democracy, the John Dewey Society, and the Antidefamation League. Supplementing their efforts were others, such as the Parent-Teachers Association, the National Council of Churches, and the Committee for Economic Development, each of which has played some part in adjusting the minds of American citizens to the idea of planning and to the marked changes which have taken place in "the public interest."

Others, too, are engaged in the dissemination of this idea as being essential to the security of this country. Neither time nor funds have permitted me to direct the attention of the staff to the operations and influence of any but a few of these, beyond taking notice of their existence and the purposes which they serve.

From our studies, it appears that the overall administration of this functioning whole and the careful selection of its personnel seem to have been the peculiar interest of the American Council of Learned Societies. It is interesting to note that, by legislative action recently, another entity has been brought into being known as the National Science Foundation, whose purpose is to develop a national policy with respect to science. Its additional purpose is to serve our Government in an advisory capacity in connection with the huge appropriations now being made for research in the interests of effective controls. Evidence exists of close cooperation between privately endowed foundations, the agencies through which they have operated and the educational institutions through which they have been accustomed to make grants for research. This process may contribute to an undesirable degree of concentrated power.

It is also interesting to note that by comparison with funds for research provided by foundations, those now flowing from our Government are so large that they dwarf foundation contributions. This promises to be true for some time to come and indicates that foundations may extend their influence over a wider area than in the past.

The result of the development and operation of the network in which foundations have played such a significant role seems to have provided this country with what is tantamount to a national system of education under the tight control of organizations and persons little known to the American public. Its operations and ideas are so complex as to be beyond public understanding or control. It also seems to have resulted in an educational product which can be traced to research of a predominantly empirical character in the inexact or social sciences.

In these fields the specialists, more often than not, seem to have been concerned with the production of empirical data and with its application. Principles and their truth or falsity seem to have concerned them very little.

In what appears from our studies to have been zeal for a radically new social order in the United States, many of these social science specialists apparently gave little thought to either the opinions or the warnings of those who were convinced that a wholesale acceptance of knowledge acquired almost entirely by empirical methods would result in a deterioration of moral standards and a disrespect for principles. Even past experience which indicated that such an approach to the problems of society could lead to tyranny, appears to have been disregarded.

Mr. HAYS. Mr. Chairman, I do not like to interrupt Mr. Dodd, but I have several questions. Right here it seems to me there is one that it might be well to ask him to clarify. He is tossing this word "empirical" around with a good deal of abandon, and I wonder if you would mind defining what you mean by empirical?

Mr. DODD. It is based upon the accumulation of observable facts, Mr. Hays, and the tabulation of those. What we would ordinarily know as a statistical approach.

Mr. HAYS. Thank you.

Mr. DODD. May I continue, sir?

The CHAIRMAN. Yes.

Mr. DODD. For these reasons, it has been difficult for us to dismiss the suspicion that, latent in the minds of many of the social scientists

has lain the belief that, given sufficient authority and enough funds, human behavior can be controlled, and that this control can be exercised without risk to either ethical principles or spiritual values and that, therefore, the solution to all social problems should be entrusted to them.

In the light of this suspicion and the evidence which supports it, it has been difficult to avoid the conclusion that social scientists of the persuasion I have been discussing have been accepted by foundations, Government, and education as though their claims were true—this is in the face of the fact that their validity has been disputed by men well trained in these same disciplines.

In spite of this dispute within his own ranks, the social scientist is gradually becoming dignified by the title "Social Engineer." This title implies that the objective viewpoint of the pure scientist is about to become obsolete in favor of techniques of control. It also suggests that our traditional concept of freedom as the function of natural and constitutional law has already been abandoned by the "social engineer" and brings to mind our native fear of controls—however well intended.

In the face of this, it seems strange that foundations made no reference in their reports to the consequences to be expected from a new science of society founded on empiricism and undisciplined by either a set of principles or proved experiments. Apparently they were content to operate on the theory that they would produce usable data for others to employ and rely upon them to account for the effects. It may not have occurred to their trustees that the power to produce data in volume might stimulate others to use it in an undisciplined fashion without first checking it against principles discovered through the deductive process.

Their position that they need not closely follow the effects of their support of such grants also seems strange. Their reports often show that they were supporting such a new "science." The descriptions, however, made it very difficult to judge the ultimate purposes for which this support was being given.

To summarize, both the general and the specific studies pursued by the staff during the past 6 months lead me to the tentative conclusion that, within the social-science division of education, the foundations have neglected "the public interest" to a severe degree.

In my judgment, this neglect may be found by the committee to have stemmed from:

The willingness of foundations to support experiments in fields which defied control; to support these uncontrollable experiments without first having proved them to be "in the public interest"; and to extend this support without reporting its purpose in language which could be readily understood.

I suggest that the committee give consideration to the tendency of foundation trustees to abdicate responsibility. To illustrate: The following statement has been taken from An American Dilemma, the Negro Problem and Modern Democracy, a book by Gunnar Myrdal, with the assistance of Richard Sterner and Arnold Rose, volume II:

This study was made possible by funds granted by Carnegie Corp., of New York. That corporation is not, however, the author, owner, publisher, or proprietor of this publication, and is not to be understood as approving by virtue of its grant any of the statements made or views expressed therein.

While this refers to but one project out of many, it becomes significant when it is realized that the project to which these books relate involve some $250,000, and led to the publication of statements which were most critical of our Constitution.

The similar tendency to delegate responsibility will be seen in the support given by foundations to agencies such as the Social Science Research Council, which disregards the legal concept: "He who acts through an agent, acts himself."

Ford Foundation: Finally, I suggest that the committee give special consideration to the Ford Foundation. This foundation gives ample evidence of having taken the initiative in selecting purposes of its own. Being of recent origin, it should not be held responsible for the actions or accomplishments of any of its predecessors. It is without precedent as to size, and it is the first foundation to dedicate itself openly to "problem solving" on a world scale.

In a sense, Ford appears to be capitalizing on developments which took place long before it was founded, and which have enabled it to take advantage of the wholesale dedication of education to a social purpose, the need to defend this dedication against criticism, the need to indoctrinate adults along these lines, the acceptance by the executive branch of the Federal Government of responsibility for planning on a national and international scale, the diminishing importance of the Congress and the States and the growing power of the executive branch of the Federal Government, the seeming indispensability of control over human behavior.

As if they had been influenced directly by these developments, the trustees established separate funds for use in the fields of education, national planning, and politics. They set up a division devoted to the behavioral sciences, which includes a center for advanced study, a program of research and training abroad, an institutional-exchange program, and miscellaneous grants-in-aid.

Supplementing these major interests are such varied activities as: a TV radio workshop, "external grants," intercultural publications, and an operation called the East European Fund, which is about to be terminated.

When it is considered that the capital resources of this foundation approach, or may exceed, $500 million, and that its income approximates $30 million each year, it is obvious that before embarking upon the solution of "problems," some effort should be made by the trustees to make certain that their solution is "in the public interest."

It is significant that the policies of this foundation include making funds available for certain aspects of secret military research and for the education of the Armed Forces. It becomes even more significant when it is realized that the responsibility for the selection of the personnel engaged in these projects is known to rest on the foundation itself—subject as it may be to screening by our military authorities.

In this connection, it has been interesting to examine what the educational aspect of these unprecedented foundation activities can be expected to produce. The first example is a pamphlet in which the Declaration of Independence is discussed as though its importance lay in the fact that it had raised two, as yet unanswered, questions:

1. Are men equal and do we demonstrate this equality?
2. What constitutes "the consent of the governed" and what does this phrase imply in practice?

By inference, the first question is subtly answered in the negative. By direct statement, the second is explained as submitting to majority rule—but the restriction of the majority by the Constitution is not mentioned. Only an abridged version of the Declaration is printed. It is interesting that this should omit the list of grievances which originally made the general concepts of this document reasonable.

It seems incredible that the trustees of typically American fortune created foundations should have permitted them to be used to finance ideas and practices incompatible with the fundamental concepts of our Constitution. Yet there seems evidence that this may have occurred.

I assume it is the purpose of this inquiry to gather and weigh the facts.

Respectfully submitted by myself.

Mr. Chairman, that is the end of the statement.

The CHAIRMAN. What does the following page refer to, which makes reference to charts?

Mr. DODD. You will recall that I mentioned in my statement yesterday that the staff had made a study of the changes which had taken place in the elements comprising the public interest from the turn of the century to the present day. That study was entitled "The Economics of the Public Interest." In that study, Mr. Chairman, are these 12 charts.

The CHAIRMAN. Are those charts to be submitted?

Mr. DODD. At counsel's convenience, I believe he plans to do so. But I also believe he plans to do so when he submits that particular study itself. Of that I am not sure.

Mr. WORMSER. I think we will introduce it later. You may have it now if you wish, but it would come in more logically later, Mr. Chairman.

May I now offer certain material which Mr. Dodd might read into the record to illustrate some of the things he had discussed in his testimony. For example, on page 45 of the record, he made a statement discussing the extent to which foundations like Carnegie and Rockefeller had made contributions or expended funds for the purpose of directing education in the United States toward an international frame of reference.

Mr. HAYS. That is a good place for a question right there, Mr. Chairman.

The CHAIRMAN. Were you submitting something, Mr. Wormser?

Mr. WORMSER. I was about to; yes.

The CHAIRMAN. Mr. Hays has a question.

Mr. HAYS. I would like you to explain a little more fully, you say that these foundations have furthered this purpose by directing education in the United States toward an international frame of reference and discrediting the traditions to which it had been dedicated.

What are these traditions to which it has been dedicated? That seems to me to be a rather critical thing, and I would like to know more about it. I may get educated all over. I am reading from the report on page 45, where you stopped. I read a little more.

Mr. WORMSER. It is page 14 of your manuscript copy, Mr. Dodd.

Mr. DODD. May I answer, Mr. Hays?

Mr. HAYS. Yes.

Mr. DODD. That which appeared most frequently, Mr. Hays, would relate to an adage or viewpoint which was to avoid entangling alliances and which had come down through the years. That would be a pertinent aspect of it with respect to international affairs.

Mr. HAYS. You mean you are taking that from George Washington's Farewell Address.

Mr. DODD. I am just taking that because they make reference to it.

Mr. HAYS. I do not think we can keep something that George Washington said 150 years ago as being a basis for guidance today and say anything contrary to it is 100 percent wrong. I think George Washington was a pretty smart man, and I respect him and revere him, but certainly the Monroe Doctrine was an entangling alliance, and it also is one of those revered cliches that we use a good deal now. I would rather that this investigation got off without using any more cliches than we can help.

Mr. DODD. This is not designed to say whether it is good or bad or be critical or otherwise. This is the way it appeared, and this is the way it unfolded.

Mr. HAYS. I got the pretty firm impression that it was going to appear this way the first time I ever talked to you about it. Do you remember last fall, more than 6 months ago, I tried to find out just where this investigation was going, and I got pretty much the impression that I could have almost written this myself from that first conversation. That is all right. I do not want to find fault with that. But let us bring in the facts to prove it. Let us not stand on a bunch of assertions.

Mr. DODD. As I understand it, that is what counsel intends to do, Mr. Hays.

Mr. WORMSER. Mr. Hays and Mr. Chairman, we expect in the course of hearings to introduce in addition to the testimony of witnesses, various extracts from printed material produced or supported by the foundations themselves. There will be a considerable body of that kind of evidence.

In this particular connection, Mr. Hays, we suggest that a proper subject of inquiry for the committee is whether or not propaganda is desirable for a foundation which operates as the fiduciary manager of public funds. In the case of the Carnegie endowment we will be glad to introduce evidence later to show that they were consciously produced, a propaganda machine. We are anxious to get the facts. If there is an adequate explanation of that which takes it out of the class of propaganda which public funds privately managed should not be used for, we will be glad to hear it. But it seems to me that this committee has the duty to inquire whether or not propaganda by foundations with public money is desirable.

Mr. HAYS. You say that the Carnegie Foundation consciously produced a propaganda machine?

Mr. WORMSER. Yes.

Mr. HAYS. And that is bad per se.

Mr. WORMSER. I am presenting that to the committee to decide. I am not trying to decide.

Mr. HAYS. If a foundation has produced consciously a propaganda machine, it is the Facts Forum. I have not much evidence that the staff has done much digging there. They not only have a propaganda machine, but that outfit puts money in to defeat people like me for

Congress. That is pretty essential to me. That is bad propaganda from my viewpoint.

The CHAIRMAN. Another foundation, or at least an organization that comes within the definition of a foundation, has been called to the attention of the committee, and that is the so-called Christian Laymen's Movement, which it certainly would appear from some documents which I have seen circularized, engages in propaganda.

Mr. HAYS. The chairman knows that he and I have discussed that, and we are in complete agreement, that in the first instance it is not a foundation, and in the second instance, we ought to bring them in and find out why they have used the name.

The CHAIRMAN. If any foundations have contributed money for political purposes, I think that ought to be developed.

Mr. HAYS. Directly or by purporting to present facts, and doing so in a biased manner.

The CHAIRMAN. If any of the foundations have contributed money for political purposes to defeat or elect any candidate, I think that ought to be developed.

Mr. WORMSER. May I say regarding the Facts Forum, may I say that the Bureau of Internal Revenue is making a study of its own of that institution.

Mr. HAYS. May I say I talked to the Bureau of Internal Revenue, and they have finished their study. If you cannot get it, they will make the facts available to you.

Mr. WORMSER. The second thing I want to say in explanation is that we have had considerable difficulty in getting access to forms 990–A, as you know. The return of this particular foundation was finally made available to us last Friday at 4:30.

Mr. HAYS. I talked to the Assistant Director about 3:30. He really acted fast. He told me you would get it. I appreciate the speed with which he made it available.

The CHAIRMAN. However, the chairman might say that with reference to making available the tax return form 990–A which is the document in which the committee is particularly interested, it has been authorized to be made available by an Executive order. The delay and the difficulty has come through the slowness of the administrative action in the Department, as I understand it, but that matter is now pretty well cleared up; is it not, Mr. Wormser; so that these forms are now available. In fairness to the staff, there has been really——

Mr. HAYS. I realize that, Mr. Chairman, and I just got into the picture because the staff informed me that they were having trouble getting hold of this particular one, because it seemed to be lost or something. When I called, it was not lost; they found it right away.

The CHAIRMAN. It is my understanding that you had difficulty getting some of the others also.

Mr. WORMSER. Yes, sir.

The CHAIRMAN. So, it was not this particular one that was an isolated case.

Mr. WORMSER. We gave them a list of those foundations whose returns we wanted particularly to examine. When they finally gave us access to them, we found that many of those we wanted were still not there, and the problem was that they had not been gotten into the Washington office from some of the field offices. So, we still have

not got a complete story to tell. Moreover, we have the mechanical difficulty with our small staff that they will not let us photostat any of these returns and permit us only to examine them on their premises which makes it very difficult for us to work with them.

Mr. HAYS. I assume that on this complete story, Mr. Dodd says he thinks the Ford Foundation ought to be gone into pretty thoroughly. I suppose we will develop that story by having them in. If the staff is too busy, it would suit me to bring in Mr. Hunt and the rest of the Facts Forum people and develop their story right here, too. He seems to have trouble getting publicity. Maybe we will get him a little.

The CHAIRMAN. As a result of my consultation with the staff, it is expected that the foundation generally will have opportunity to appear, in fact will be invited to appear. The presentation by Mr. Dodd is more or less forming the basis for the appearance of the representatives of the various foundations.

Mr. HAYS. This is the indictment or the bill of particulars.

Mr. WORMSER. The bill of particulars is a good term, Mr. Hays.

Mr. HAYS. That is what I was going on. I just want to be sure that we get this one I am talking about in the bill of particulars. I want to amend it right here and get them in.

The CHAIRMAN. As I understand it, the staff have had certain reasons for proceeding this way. One was that they thought it was desirable for the foundations themselves to understand the approach which the staff had made in this study. From some of the conversations that Mr. Wormser, as well as myself, have had with foundations, I think they are rather satisfied with this method of procedure; not that it is either favorable or unfavorable to them, but they think it is a sound and logical method in which to proceed.

Mr. HAYS. Mr. Chairman, let me say that I may be seeming to ask some critical questions, but I do not want to imply that there has been any trouble between myself and the staff. It may be that I do not see eye to eye on a good many things, but the staff has been very responsive any time I have asked them a question to come up and explain it, or to make the files available, or anything like that. There has been no difficulty whatsoever on that score.

The CHAIRMAN. Certainly I never so understood you to infer, that is, not only the staff, but the members of the committee themselves.

Mr. HAYS. Let us not be too optimistic.

The CHAIRMAN. I am only speaking up to the present time. I am not projecting that into the future. If there are no further questions, Mr. Wormser, you may proceed.

Mr. WORMSER. This statement was not intended to cover everything we are going to cover in the hearings. This was intended to cover what we might call the most important or main lines of inquiry we suggest. The reason for doing it now is, as the chairman said, to give the foundations an opportunity to know what most important matters we want to go into in relation to them.

The CHAIRMAN. You may proceed.

Mr. WORMSER. I think Mr. Dodd might wish to read an extract from the report of the Carnegie Endowment which is taken from their 1937 yearbook, being part of the report of the division of intercourse and education.

Mr. DODD (reading):

One of the regular branches of work of the division of intercourse and education is the distribution of the International Mind Alcove Collection. The public libraries of small communities welcome these carefully selected books on foreign countries and international relations as a distinct help in developing and broadening the point of view of their communities often isolated from reading material of this type. During the past 14 years 739 towns have benefited by this service with 490 on the Alcove list at the end of 1936.

The CHAIRMAN. What is that number?

Mr. DODD. 490.

Mr. HAYS. What is this Alcove list, before you go any further? Would you enlighten the committee?

Mr. DODD. The list, Mr. Hays, is a composite of titles of books which go as a single collection into libraries in communities. I think the name "Alcove" is to designate that it stands by itself in whatever library it happens to be put. I think that is how they happened to hit on "Alcove" as a word. Their full title is "International Mind Alcove Collection." I think that is to set the tenor of the books themselves. In other words, the general subject of international matters.

Mr. HAYS. I take it that the staff does not approve of this collection; is that right?

Mr. DODD. No, Mr. Hays. I think counsel is introducing this as an example of the fact that the Carnegie Corp. or the Carnegie Endowment for Peace was interested in awakening the people of this country to an international viewpoint. This is not to mean that it is good or bad, sir.

Mr. HAYS. All right. That is what I want to get clear. That suits me.

Mr. DODD. I sincerely hope, as that statement was read, that there are no instances of an attempt at what we call quality judgments.

May I proceed, Mr. Chairman.

The CHAIRMAN. You may proceed.

Mr. DODD (reading):

After a collection has reach 100 titles, no further books are sent. In this way funds are released to establish new Alcoves elsewhere.

The librarian agrees when accepting the initial installment to interest readers in every way possible in the books and in their purpose and often this personal enthusiasm and cooperation add greatly to the success of the work. The local press is generous in giving space for the announcement and description of new Alcove titles, 4 of which are sent every 3 months, thus permitting the very latest publications to be chosen.

Then on page 59 of this same yearbook:

INTERNATIONAL RELATIONS CLUBS

The international relations clubs organized under the auspices of the division throughout the world show an increase in 1936 to 66, making a total of 805. These clubs are most numerous in the 48 States of the United States, in all of which they are active. Clubs are also organized in 32 other countries reaching halfway round the globe to distant Siam and including such parts of the United States as Alaska, Hawaii, Puerto Rico, and also the Philippines. For 20 years the work of the international relations clubs has been described in these reports. It is an integral part of the work of the division carried along the lines so often laid down in these pages.

On page 62:

There are now (that is as of December 31, 1936) 157 groups organized in foreign countries.

On page 63:

The international relations clubs in high schools have been a natural outgrowth of the work of the clubs in colleges and universities. Members of these latter clubs have spoken at the high schools in their communities and have invited high-school students to come to their meetings. Also club members graduating from college frequently go into the teaching profession which puts them in direct touch with high-school students who are eager to learn more about international relations. On December 31, 1936, there were 206 high school international relations clubs, and applications are constantly being received. To these clubs a package of pamphlet material is sent twice a year to aid them in their studies.

And finally this comes from President Butler's report to the annual meeting of the board of trustees on page 179:

As you see from the annual report, we have now in the United States between 800 and 900 international relations clubs, chiefly in the smaller institutions of learning, college and high school. They meet on the average of once a week. They read and discuss endowment publications, the news of the day, everything bearing upon economic cooperation and peace.

We have in addition about 800 International Mind Alcoves in public libraries. These bear our name. They consist of books, 30, 40, 50, sometimes 100 in number, which can be read either by young people or old, as the case may be, and which give an account of the characteristics, the geography, the history, the literature, the products, the life of other peoples. Sometimes there is included a novel dealing with the psychology and the habits of other people than our own. These are producing a very profound effect upon the mind of the young people in the United States and have shown themselves to be very practical, indeed.

Mr. WORMSER. Again in the same area, I would like with your permission, Mr. Chairman, for Mr. Dodd to read from the 1947 yearbook of the Carnegie Endowment, which contains a report called Recommendations of the President. The president, incidentally, in passing, at the moment was Alger Hiss. I would like Mr. Dodd to read starting at page 16.

Mr. HAYS. Would you describe that again, and tell us what it is? I am sorry I did not hear everything you said. I did hear the name Alger Hiss.

Mr. WORMSER. Yes. It is from the 1947 yearbook of the Carnegie Endowment for International Peace. Entered at page 15 is a reprint of a document called Recommendations of the President to the Trustees. It is signed by Alger Hiss, president.

Mr. HAYS. It was an unfortunate thing when the Secretary of State recommended him to the Carnegie Foundation, was it not?

Mr. WORMSER. I think we would all agree on that.

Mr. DODD (reading):

Among the special circumstances favorable to an expansion of the endowments own direct activities, the most significant is the establishment of the United Nations with its headquarters in New York, and with the United States as its leading and most influential member.

The United States was the chief architect of the United Nations and is its chief support. The opportunity for an endowed American institution having the objectives, traditions, and prestige of the endowment, to support and serve the United Nations is very great. No other agency appears to be so favorably situated as is the endowment for the undertaking of such a program.

So far as we have been able to ascertain, no other agency is contemplating the undertaking of such a program. Consequently, I recommend most earnestly that the endowment construct its program for the period that lies ahead primarily for the support and the assistance of the United Nations. I would suggest that this program be conceived of as having two objectives. First, it should be widely educational in order to encourage public understanding and support of the United Nations at home and abroad. Second, it should aid in the adoption of wise policies, both by our own Government in its capacity as a member of the United Nations, and by the United Nations Organization as a whole.

The number and importance of decisions in the field of foreign relations with which the United States will be faced during the next few years are of such magnitude that the widest possible stimulation of public education in this field is of major and pressing importance. In furthering its educational objective, the endowment should utilize its existing resources, such as the international-relations clubs in the colleges and international conciliation, and should strengthen its relationships with existing agencies interested in the field of foreign affairs. These relationships should include close collaboration with other organizations principally engaged in the study of foreign affairs, the Institute of Pacific Relations, the developing university centers of international relations, the Council on Foreign Relations, the Foreign Policy Association, and local community groups interested in foreign affairs, of which the Cleveland Council on World Affairs and the projected World Affairs Council in San Francisco are examples.

Of particular importance is the unusual opportunity of reaching large segments of the population by establishing relations of a rather novel sort with the large national organizations which today are desirous of supplying their members with objective information on public affairs, including international issues. These organizations, designed to serve, respectively, the broad interests of business, church, women, farm, labor, veterans, educational, and other large groups of our citizens, are not equipped to set up foreign policy research staffs on their own. The endowment should supply these organizations with basic information about the United Nations, and should assist them both in selecting topics of interest to their members and in presenting those topics so as to be most readily understood by their members.

We should urge the Foreign Policy Association and the Institute of Pacific Relations to supply similar service on other topics of international significance. Explanation should also be made by the endowment as to the possibilities of increasing the effectiveness of the radio and motion pictures in public education on world affairs.

Mr. HAYS. Mr. Wormser, may I ask a question?

Mr. WORMSER. Please, Mr. Hays.

Mr. HAYS. What was the purpose of putting that in the record?

Mr. WORMSER. I am trying to give a few illustrations of some of the more important statements which Mr. Dodd made in his report to give some justification for lines of inquiry. As I said before, we asked the committee to consider whether propaganda by a public foundation privately managed but consisting of public money in essence is desirable or proper. We believe we have evidence to show that the Carnegie Foundation or Endowment for International Peace has created, as I said, a propaganda machine. Its propaganda might be good.

Mr. HAYS. Let us explore while we are at it and see if it is in any way responsible for the present floundering foreign policy we have. There seems to be some connection between Mr. Dulles and this Carnegie Foundation. Maybe we will get to the bottom of that.

There might be something useful out of this after all.

The CHAIRMAN. I suggest we can make our observations on that after the hearing has been further developed.

Mr. WORMSER. These are merely illustrations and not the complete story in any way.

Mr. HAYS. I do not expect the staff to follow that suggestion, but it is the line of inquiry I would like to follow.

The CHAIRMAN. Do you have further suggestions there?

Mr. WORMSER. Yes.

The CHAIRMAN. I am sure the staff will give full support to the suggestion of the gentleman.

Mr. HAYS. I will even try to get them some more money for that.

Mr. WORMSER. I believe at page 26 of the record Mr. Dodd referred to the operations or activities of the foundations in changing our edu-

cational and to some extent, I believe, our cultural life somewhat radically. I would like him to read with your permission from a book of Ernest Victor Hollis, Philanthropic Organizations and Higher Education, published in 1938. Mr. Dodd will read from page 81.

Mr. HAYS. This refers to what paragraph on page 26 of the record?

Mr. WORMSER. I have not the record in front of me, Mr. Hays.

Mr. KOCH. The last full paragraph of Mr. Dodd's statement.

Mr. DODD (reading):

Foundations have been so skillful in overcoming these obstacles that they now exercise a maximum of initiative. Today they have a vital part in practically every type of progressive educational experiment underway in America. Possibly there has been no more radical and forward-looking study of the American scene than is presented in the 16-volume report of the Social Studies Commission of the American Historical Association, which was begun in 1927 and very recently completed.

The report demands a radical change in many of the major premises underlying our economic, social, and cultural life. This ultraprogressive study was sponsored and supported to the extent of $340,000 by the Carnegie Corp. In addition, the corporation has contributed an aggregate of $1,404,840 to experimentation in adult education, $309,500 to the study of radio in education, and an aggregate of $5,700,000 to the endowment and support of progressive experimental college programs in general, and specifically at Chicago, Bard, Colgate, Stevens, Southwestern, and over $5 million to the promotion of educational efforts in the fine arts, especially the pictorial and graphic arts and music.

Mr. WORMSER. Mr. Chairman, this appears, I believe, on page 31 of the mimeographed statement.

Mr. HAYS. We will have an oportunity to come back and question some of these statements later.

The CHAIRMAN. Yes.

Mr. WORMSER. Mr. Dodd mentioned in connection with the book, American Dilemma, by Gunnar Myrdal, that there were some statements in that book critical of our Constitution. With your permission I would like him to read several of these statements to illustrate what he means.

Mr. DODD. This is the first of approximately four such statements, Mr. Chairman.

Indeed, the new republic began its career with a reaction. Charles Beard in An Economic Interpretation of the Constitution of the United States, and a group of modern historians, throwing aside the much cherished national mythology which had blurred the difference in spirit between the Declaration of Independence and the Constitution, have shown that the latter was conceived in considerable suspicion against democracy and fear of "the people." It was dominated by property consciousness and designed as a defense against the democratic spirit let loose during the Revolution.

This conservatism, in fundamental principles, has, to a great extent, been perverted into a nearly fetishistic cult of the Constitution. This is unfortunate since the 150-year-old Constitution is in many respects impractical and ill-suited for modern conditions and since, furthermore, the drafters of the document made it technically difficult to change even if there were no popular feeling against the change.

Modern historical studies of how the Constitution came to be as it is reveal that the Constitutional Convention was nearly a plot against the common people. Until recently the Constitution has been used to block the popular—

The CHAIRMAN. Will you repeat that last sentence?

Mr. DODD. Yes, Mr. Chairman.

Modern historical studies of how the Constitution came to be as it is reveal that the Constitutional Convention was nearly a plot against the common people. Until recently the Constitution has been used to block the popular will: the 14th amendment inserted after the Civil War to protect the civil rights of the

poor freedmen has, for instance, been used more to protect business corporations against public control.

Another cultural trait of Americans is a relatively low degree of respect of law and order.

Mr. WORMSER. I would like to call your attention again, Mr. Chairman, to the fact that this two-volume book was financed by the Carnegie Corp. to the extent of a quarter of a million dollars.

Mr. HAYS. On that that you just read, did I understand you to say that is four different excerpts?

Mr. DODD. I said it was about four different excerpts.

Mr. HAYS. All lifted out of context, no doubt.

Mr. DODD. I personally read the book, Mr. Hays, but I would not say it had been lifted out of context.

Mr. HAYS. The way you read it, I thought it was all one statement. It is four different places in the book. Is that correct?

Mr. DODD. Yes. The first one appears on page 7, the second one on page 12, the third one on page 13, and the fourth which I read was sentence No. 1 in a paragraph appearing on page 14. Broadly speaking it is a sequential statement.

Mr. HAYS. There are statements in there that I certainly disagree strongly with, and I think are damaging and untrue, but I want to get the page so I can read the whole thing, and find out what they are related to.

The CHAIRMAN. I think to have the pages listed is a very good thing.

Mr. HAYS. I want to make it perfectly clear that I think some of those statements are certainly statements that the committee has every valid reason to find fault with.

Mr. DODD. It goes on, Mr. Chairman:

This trait, as well as the other one just mentioned is of paramount importance for the Negro problem as we shall show in some detail in later chapters. There is a—

Mr. HAYS. Read that sentence again about the Constitution being difficult to amend. It sounds almost like Mr. Bricker might have said it.

Mr. DODD (reading):

This is unfortunate since the 150-year-old Constitution is in many respects impractical and ill-suited for modern conditions and since, furthermore——

Mr. HAYS. That is not the one.

Mr. DODD (reading):

The drafters of the document made it technically difficult to change even if there were no popular feeling against change.

Mr. HAYS. Part of that statement is certainly true, we will have to admit. I do not admit your premise.

Mr. WOLCOTT. Is that bad?

Mr. HAYS. No; I am for it being difficult to change. I rather enjoyed the attempt that was made here not long ago.

Mr. DODD. Then it goes on, Mr. Hays:

Each legislative statute is judged by the common citizen in terms of his conception of the higher natural law. He decides whether it is just or unjust and has the dangerous attitude that if it is unjust he may feel free to disobey it.

That relates to our evidence of disrespect for law and order.

This anarchistic tendency in Americans' legal culture becomes even more dangerous because of the presence of a quite different tendency, a desire to regulate human behavior tyranically by means of formal laws. This last tendency is a heritage from early American puritanism, which was sometimes fanatical and dogmatic and also had a strong inclination to mind other people's business.

So we find that this American who is so proud to announce that he will not obey laws other than those which are good and just, as soon as the discussion turns to something which in his opinion is bad and unjust, will emphatically pronounce that there ought to be a law against it. To demand and legislate all sorts of laws against this or that is just as much part of American freedom as to disobey the laws when they are enacted. America has become a country where exceedingly much is permitted in practice, but at the same time exceedingly much is forbidden by law.

And the final statement is as follows:

The popular explanation of the disparity in America between ideals and actual behavior is that Americans do not have the slightest intention of living up to the ideals which they talk about and put into their Constitution and laws. Many Americans are accustomed to talk loosely and disparagingly about adherence to the American creed as lip service and even hypocrisy. Foreigners are even more prone to make such a characterization.

Mr. WORMSER. Mr. Chairman, I have here a quotation which, if you will turn to the bottom of page 31, Mr. Dodd referred to the tendency by trustees to delegate their responsibility. There are apparently several types of delegation. This very short quote which I shall read myself with your permission illustrates one type. It is from a book by Shelby M. Harrison and F. Emerson Andrews, published by the Russell Sage Foundation in 1946, at page 44:

The primary function of a board of trustees is the broad determination of policies in harmony with the foundations' charter. However, while complete authority has been vested in the board, it has neither the time nor usually the special knowledge required for detailed administration of the work of the larger foundations.

I would like to have Mr. Dodd read most of two letters addressed by Prof. J. Fred Rippy, of the University of Chicago to the Honorable E. E. Cox, who was chairman of the previous committee which we referred to as the Cox committee. The first is dated August 4, 1951; the second is dated November 8, 1952.

With your permission, I have deleted two small sections of the first letter for the sole reason that they name individuals, and in conformance with our desire to keep individuals out of these hearings as much as possible, I would prefer not to have them read into the record. If the committee wants I can show them the original letters.

Mr. HAYS. I think it would be a good idea for the committee to see the letters before you read them. Who is this Professor Rippy, and what is his ax to grind?

Mr. WORMSER. I have here an extract from Who's Who.

Mr. HAYS. Of course, he writes that himself. That is their honest estimate of themselves.

Mr. WORMSER. It will give you his university connections. He got his A. B. at Southwestern, his A. M. at Vanderbilt and his Ph. D. at the University of California. He has had three fellowships, one from the Guggenheim Foundation, one from Carnegie. He has been an assistant professor of history at the University of California. He was before that I believe an instructor in history at Chicago, then assistant professor or associate professor. He was a full professor

of history at Duke, and a full professor at Chicago. He has also taught at Johns Hopkins, at the National University of Mexico, at the University of Louisiana, and the University of Washington. He belongs to many of the societies. He has had two Government posts, a member of the United States National Commission on History and Geography. In 1935 he was a delegate to the Panamanian Conference on History and Geography.

Mr. HAYS. Is he now associated with the University of Chicago?

Mr. WORMSER. These 1951 and 1952 letters say the department of history. Yes, he is still there.

Mr. HAYS. I assume the letters are critical of the university.

Mr. WORMSER. They are not critical of the university; no.

Mr. HAYS. I do not see any reason to delete. He mentions his opinion about these people. If they are not so, let them come in and say so. If you are going to put his letter in, let us not get in the habit of dropping out things.

Mr. DODD. I better read from their original.

Mr. HAYS. They will go in in their entirety?

The CHAIRMAN. Yes.

Mr. HAYS. It is only his opinion.

Mr. WORMSER. I did it for their protection.

Mr. HAYS. Never mind. If you are going to put it in, let them come in and protect themselves. Maybe they will have something to say about him.

Mr. WOLCOTT. I think Mr. Wormser's idea was that we should not turn these hearings into an investigation of individuals' morals or attainments or qualifications and so forth. I respect the fact that if his opinions of individuals are not germane to this subject, they probably should be deleted. But I recognize also a member's right to object to deleting any part of them. I suppose that as Members of the Congress and congressional committees are immune from publishing libelous statements, so I think we are safe in reading it. I do not know that we want to contribute to it.

Mr. HAYS. I do not want to contribute to any libelous statement, but I think it might turn out this man—and I am saying it might, because I don't know and I have not had a chance to read the letters—but it might turn out he is a little bit disgruntled, and frequently you get letters from people like that. He said he had some sad experiences. Maybe from his viewpoint they were sad. I do not know. He mentions his names of people who gave him sad experiences and says they are arrogant, and let them come in and say what they think about him.

Mr. WOLCOTT. If you want to think of the sadness of others, you will make others sad.

Mr. HAYS. Let us leave the letters out. I do not like to put in parts of letters, because when you start deleting you make the public suspicious that everything is not right. Let us either leave them out or put them in. If you are solicitous about the people he mentions, I am just willing to forget them.

Mr. WOLCOTT. I surely am not. I have not seen the letters. I might agree with you.

Mr. HAYS. It may be a good thing if the committee read the letters so we would all know what we are talking about, and put them in tomorrow. That might illuminate the subject.

Mr. WORMSER. That is perfectly acceptable to me.

Mr. HAYS. If there is disagreement as to whether they go in or not.

Mr. WOLCOTT. I thought if they are not germane to the subject matter, I think the staff is right in requesting that part be deleted. But I have no objection to not having it deleted, and that it be read.

Mr. WORMSER. May I make the suggestion that Mr. Dodd read the second letter, which has no deletions in it.

The CHAIRMAN. Very well.

Mr. WORMSER. Will you read the second one, Mr. Dodd?

Mr. DODD. I am reading from a letter dated November 8, 1952, from a Prof. J. Fred Rippy, University of Chicago, department of history. It is addressed to the Honorable E. E. Cox:

DEAR CONGRESSMAN COX: Since I wrote you on August 4, 1951, Dr. Abraham Flexner, a man who has had much experience with the foundations, has published a book entitled "Funds and Foundations," in which he expresses views similar to those contained in my letter. I call your attention to the following pages of Flexner's volume: 84, 92, 94, 124, and 125. Here Dr. Flexner denies that the foundation staffs had the capacity to pass wisely on the numerous projects and individuals for which and to which grants were made, and contends that the grants should have been made to universities as contributions to their endowments for research and other purposes.

The problem is clearly one of the concentration of power in hands that could not possibly be competent to perform the enormous task which the small staffs had the presumption to undertake. This, says Flexner, was both "pretentious" and "absurd." In my opinion, it was worse than that. The staffs were guilty of favoritism. The small committees who passed on the grants for projects and to individuals were dominated by small coteries connected with certain eastern universities. A committee on Latin American studies, set up in the 1940's, for instance, was filled with Harvard graduates. A single professor of history on the Harvard faculty had the decisive word regarding every request for aid presented by historians.

By granting these subsidies to favorite individuals and favored ideas, the foundations contribute to inequalities in opportunity and interfere with "free trade and ideas." They increase the power of favored groups to dominate our colleges and universities. Men whose power exceeds their wisdom, or men who are not guided by the principle of equality of opportunity, could become a menace. If possible, under the terms of our Federal Constitution, these foundations should either be taxed out of existence or compelled to make their grants to colleges and universities, to be distributed by faculty committees of these institutions. Evenhanded justice may not prevail even then because such justice is rarely achieved in human relations. But a greater approximation to evenhanded justice will be made because these local committees will have more intimate knowledge of recipients. This, as you know, is the fundamental justification for decentralization of power, for the local autonomy which was so prominent in the thinking of our Founding Fathers.

Very sincerely,

J. FRED RIPPY.

The CHAIRMAN. Mr. Wormser, do you have anything further?

Mr. WORMSER. Just one thing, Mr. Chairman. I have here a long memorandum——

Mr. HAYS. Wait a minute. Are we leaving Professor Rippy now? I wanted to ask a question or two before we leave him completely.

Mr. WORMSER. I thought you were going to read the letter which has not been introduced.

Mr. HAYS. We are going to read it, but maybe we will never introduce it. If we are going to introduce letters from isolated—and I would not like to use the word "obscure" because I never heard of him—professors, maybe we ought to know a little more about him. Maybe we ought to have him in here to ask a few questions. Does the staff have any knowledge whether he ever applied to Harvard and

got turned down for a job? He seems to have a craw for Harvard. I am no defender of Harvard. I never went there. It would be interesting to know these things.

I might interpolate to say that in my experience in Congress when people are moved enough to sit down to write you a letter, they usually have some personal reason for it. I have never gotten a flood of letters about the foundations inquiry. In fact, I have not gotten a letter, and I am not soliciting any either. But being the suspicious-minded person I am, I would just like to know more about what motivated him to write this, who he is, why that is his opinion. So what? There are 165 million other people who might have a different opinion. So where do we go from there?

Mr. WORMSER. It is introduced only as his opinion.

Mr. HAYS. He says the board of trustees of a university would be better, in a bald statement, to decide what to do with this money. I would not want to get into personalities, but I can think of some boards of trustees that I would not trust with a $5 bill. I know some of them personally, and who appointed them. Maybe I would not trust the foundations either, but I would not say it is better without something to back it up. If you put this stuff in the record, it has a sort of sanctity. It has the force and effect as though it were true.

Mr. WORMSER. Mr. Hays, the only way you can judge, I suppose, is by putting things in the record and weighing them when they are in there.

Mr. HAYS. That is all right. Go ahead. I got my observations in about them. If I have cast any doubt about it, I am glad.

Mr. WORMSER. Mr. Chairman, I have a memorandum here which Miss Casey prepared for Mr. Dodd on the National Education Association. We would like to introduce it into the record. It is probably too lengthy to read. It is 27 pages. Mr. Dodd might identify it, and go over its general import, and then I would like you to give us permission, if you will, to have it physically incorporated in the record.

Mr. HAYS. It is a memorandum Miss Casey prepared on what?

Mr. WORMSER. A staff memorandum on the National Education Association.

I might say, Mr. Chairman, that the National Education Association is an extremely important factor, obviously, in the work of the foundations in the educational field insofar as it is the organization which represents the teachers who ultimately use the work, we suggest, produced by the foundations in the educational area.

Mr. HAYS. It is not a suspect organization?

Mr. WORMSER. How do you mean "suspect"?

Mr. HAYS. Having any devious motives or subversive influence?

Mr. WORMSER. No, no subversive influence.

Mr. HAYS. I used to belong to it. I want to be sure I do not get in trouble here.

Mr. WORMSER. We do think they are subject to your examination for various reasons.

Mr. HAYS. I do not mind. They used to take money out of my paycheck for membership without asking me. I just wanted to get that in, if it was a subversive organization.

The CHAIRMAN. Is that sufficiently identified now? If so, it would not be necessary for Mr. Dodd to identify it further. It is your desire that it be submitted for the record.

Mr. WORMSER. I think it ought to be written right into the record so you can read it.

The CHAIRMAN. Without objection it will be so ordered.

Mr. DODD. May I identify its source, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. DODD. It arises from a study of a volume issued by the association in 1948 entitled, "Education for International Understanding in American Schools," with a subtitle "Suggestions and Recommendations." The gist of it, Mr. Chairman, is to clarify the important role the teacher has to foster two things in this country: a development of an understanding of international affairs, and, at the same time, the teacher must lead the way to a breakdown, so to speak, of our allegiance to a local or nationalistic viewpoint.

(The memorandum is as follows:)

Memorandum to: Mr. Dodd. MAY 5, 1954.
From: Kathryn Casey.
Subject: National Education Association.

One example of foundation support of organizations which display an unusual philosophy in their publications is the National Education Association.

This association has received from the Carnegie and Rockefeller Foundations approximately one and a half million dollars (a complete tabulation is available by year of grant and nature of project).

In 1948 the association issued a volume entitled "Education for International Understanding in American Schools—Suggestions and Recommendations," prepared by the Committee on International Relations, the Association for Supervision and Curriculum Development, and the National Council for the Social Studies—all departments of NEA. The representatives of each of these departments on the committee as stated in the front of the book is:

Representing the Committee on International Relations of the National Education Association:
- Ben M. Cherrington, director, Social Science Foundation, University Denver, chairman.
- Rachel Evans Anderson, chairman, Physical Science Department, Andrew Jackson High School, New York, N. Y. (since September 1947).
- Rufus E. Clement, president, Atlanta University (since September 1947).
- Vanett Lawler, associate executive secretary, Music Educators National Conference, and music education consultant, Pan American Union (since September 1947).
- William F. Russell, dean, Teachers College, Columbia University.
- Howard E. Wilson, associate director, Division of Intercourse and Education, Carnegie Endowment for International Peace (since March 1947).
- James T. Shotwell, director, Division of Economics and History, Carnegie Endowment for International Peace (until September 1948).

Representing the Association for Supervision and Curriculum Development, a department of the National Education Association:
- C. O. Arndt, professor of education, New York University.
- Gertrude A. Hankamp, executive secretary, Association for Supervision and Curriculum Development.
- Gordon N. Mackenzie, professor of education, and chief, Division of Curriculum and Teaching, Teachers College, Columbia University.
- Helen Frances Storen, assistant professor of education, Teachers College, Columbia University.

Representing the National Council for the Social Studies, a department of the National Education Association:
- Howard R. Anderson, chief, instructional problems, Division of Secondary Education, United States Office of Education.
- Merrill F. Harshorn, executive secretary, National Council for the Social Studies.

Erling M. Hunt, professor of history, Teachers College, Columbia University.
Wallace W. Taylor, professor, and head of social studies, Milne High School, New York State College for Teachers, Albany, N. Y.

The preface signed by "The Committee" states that the book represents the consensus of "the committee on the basis of information and opinion from many sources during 2 years of investigation and discussion—from April 1946 to April 1948" (p. v). According to the preface (p. vi), the first question demanding an answer was: Why should American schools be concerned with education for international understanding? The committee's answer to that question will be found in chapter 1 of this report. The second question was: What schools and what teachers have the responsibility for educating children and youth for international understanding? The committee's answer: All elementary and secondary schools have that responsibility; and every administrator and supervisor as well as every teacher of every subject on every grade level shares a part of it.

Another fundamental question to which the committee and staff devoted extended consideration in the early stages of the project was: What should be the specific objectives of school programs for international understanding? For assistance on this point the committee sent letters of inquiry to 300 distinguished Americans of wide experience in world affairs, two-thirds of whom replied with considered and useful statements. These statements were evaluated by 16 scholars, journalists, and public officials who met with the committee at Pocono Manor, Pa., in January 1947 for a 3-day discussion of the same basic question. Ideas obtained from these sources, as revised after review by others and by committee discussion, are presented in chapter 2 and elaborated in chapter 3.

The next question was: How can educational effort be most effectively focused on, and most efficiently expended in, the achievement of these agreed-upon objectives? At this point the help of curriculum experts and classroom teachers was solicited. Arrangements were made to have this question given systematic consideration by experienced teachers enrolled in the 1947 summer sessions of 23 colleges and universities and 2 city school systems in the United States, and in the UNESCO Seminar for Teachers at Sevres, France. Faculty members representing 12 of these 26 cooperating summer schools met with the project staff and 3 members of the committee for a 3-day conference in Washington in May to make advance plans for the summer program. During June and July staff members visited 14 of the summer-school groups to assist them in their work on the project and to receive their oral suggestions and written materials. Reports from the other 12 summer groups were received by mail. During the spring and summer of 1947 additional help was obtained by mail from teachers, supervisors, and administrators in all parts of the country. The results of these several undertakings are embodied in chapters 4 and 5.

The preface (page vii) also states: "Original financial support for the project was a grant of $13,500 from the National Education Association's war and peace fund, a fund established by contributions from many thousands of teacher members during 1943–45 in order to enable their association to play a more significant role in "winning the war and securing the peace." A subsequent grant of $13,000 from the Carnegie Corporation of New York, in October 1946, which permitted a substantial expansion of the scope of the project, is hereby acknowledged with deep appreciation. Although funds from the Carnegie Corporation of New York materially aided the preparation of this report, it should be stated that that corporation is not the author, owner, publisher, or proprietor of this publication, and is not to be understood as approving by virtue of its grant any of the statements made or views expressed therein."

In addition to stressing the Building America series and UNESCO material throughout, the volume contains the following statements:

In the foreword by Warren Robinson Austin, then United States representative at the U. N. he states: "The Assembly of 1947 unanimously passed a resolution calling upon the member states of the United Nations to provide for effective teaching about the United Nations in the schools. Education for International Understanding in American Schools is one appropriate response on the part of the American people to the United Nations call. It suggests practical ways and means of extending the fine work American teachers have already undertaken for international understanding.

"The United Nations is properly presented as a facility to be used by peoples and government, and to be changed by them from time to time to fit their needs, not as an isolated institution to deal with problems for which the member nations might like to escape responsibility.

"Through educational processes we must develop a habit of individual thinking about international affairs which will cultivate a sense of public responsibility for the success of the United Nations.

"In my judgment, this involves a more fundamental acquisition of knowledge than we have yet gained. To be responsible participants in a United Nations world, a citizens must have a clear and accurate picture of their world as it really exists. They must understand, in the fullest sense, the facts which make interdependence of nations and peoples basic. They must achieve a vivid sense of functional geography, and thus come to recognize that they, as individuals, their community, and their country depend upon resources and products from every part of the globe. They must understand why it is impossible for any group of people to survive long in modern society isolated from others.

"This, in my judgment, is the foundation stone of international understanding.

"One of the reasons that education is a precondition of peace in the modern world stems from the fact that conflicts are basically caused by contradictions between popular conceptions on the one side, and the realities of the 20th century on the other side. In the last hundred years, science and technology have radically changed the conditions of life and the relationships of peoples. We have introduced mass production and specialization and rendered obsolete the old handicraft economy. Nation-states must adapt themselves to the changes which have taken place through some such machinery as the United Nations.

"This involves rationalization of production and distribution on a worldwide basis. It means, for example, that peoples and nations must learn to act cooperatively on such essential matters as employment, expansion of agriculture, health, and trade. Solution of economic problems on a purely national basis without regard to the effect of their conduct on other peoples and nations breeds economic war.

* * * * * * *

"Development of international collaboration is going on at a remarkable pace. Witness the cooperative planning of the nations of the Western Hemisphere, the European recovery program and the steps toward European union, and the work of the Food and Agriculture Organization and the International Trade Organization on a worldwide basis.

"All of these and many other activities are limited and inhibited to the extent that citizens of the member states cling to obsolete ideas and attitudes contrary to the facts of the 20th century. Therefore, the United Nations relies upon education to develop the understandings essential to its successful operation. The modern rate of change is so rapid that we cannot content ourselves with passing on the old skills and beliefs generation to generation.

"In carrying forward this task of enlightenment for adaptation to the requirements of a changing world, teachers have a vast new reservoir of vital informaton in the documentation of the United Nations. Here is a challenge to the interpreters—the writers of books, producers of educational films, and educational radio—to translate the findings of United Nations organizations in terms that can be understood by the average citizen. Without his understanding cooperation, rational plans of political leaders cannot be carried out.

"The rapid adaptation of modern people to the potentialities of our times can result in knitting them together in such relationships of interdependence that peace becomes the only practical condition of existence. The facts are on the side of international collaboration. It is the high mission of education to teach these facts. If this is done, the youth of today, and succeeding generations, will become increasingly competent to unite the strength of nations to maintain peace."

CHAPTER 1. THE CHALLENGE

Page 2:

"* * * It is no longer possible to draw sharp distinctions between foreign and domestic policies, for the decisions on many questions that seem to concern only the United States and its people now cause serious repercussions throughout the world. Our traditional pillars of national self-confidence—geographic invulnerability, military supremacy, and economic independence—now seem less secure than they once did. The awareness of this changed situation is being diffused rapidly and forcibly among our people. It is understandable that this growing awareness is accompanied by confusion and anxiety."

Page 2:

"* * * The United States, in spite of its present position and power, is therefore forced to consider the problem of attaining and maintaining peace not from the point of view of domestic security and well-being alone but also from the point of view of the security and well-being of the world in general."

Page 6:

"* * * As a first step in this process (establishment of a world order), the United Nations has been created. Through its Security Council, every dispute that affects the peace of the world can be brought before an international body endowed with authority to take all necessary steps for the restraint of aggression. Its General Assembly is an international forum for the discussion of all matters of international concern. Collaboration among the nations for economic, social, and cultural welfare is being organized and given administrative instruments through the Economic and Social Council and the specialized agencies: the International Bank, the International Monetary Fund, the Food and Agriculture Organization, the World Health Organization, the International Trade Organization, the International Labor Organization, the United Nations Educational, Scientific, and Cultural Organization, and others. The fundamental problem of formulating standards acceptable to all peoples to guide the relationships of groups with one another receives the continuous attention of a Commission on Human Rights.

"The United States has assumed full obligations under the charter and has repeatedly declared officially that it regards full participation in United Nations activities as a fundamental tenet of its foreign policy. The creation and operation of the United Nations, however, is not the whole answer to the problem."

Page 7:

"* * * The beginning has been made, but it is only a beginning. Much remains to be done and it is this 'much' that is the crux of the challenge that faces American teachers today.

* * * * * * *

"Today's problems must be solved by the adults of today. The immediate obligation of teachers, therefore, is to act as adults among adults, and to place whatever knowledge and ability they have in the service of the community in an effort to achieve responsible public decisions that will arrest the trends that may result in another conflict. Teachers must do more than this. They must improve their own grasp of the world's problems and the new relationship of the United States to these problems in order to exert a positive and constructive influence for peace.

"The other situation facing the teaching profession today is the long-term one—the education of our children. The obligations here are manifold and they encompass the needs of the next few years as well as the years beyond. The needs of the next few years are of immense importance, for our youth are growing up in the midst of crisis. It is therefore imperative that they (our youth) be equipped to understand the nature and complexity of problems that surround them and that they be trained in the art of judgment that will be ultimately reflected in the public decisions that constitute the foundation of official governmental policies. Since it seems evident that the firm establishment of a world organization and the achievement of a world order will be a slow and gradual process, the children in our schools will be called upon to sustain, and strengthen, this movement and to lend their efforts to its advancement.

"Teachers, thus, carry a larger responsibility than most of their fellow citizens for contributing to the maintenance of enduring peace. More than average influence in adult community life can properly be expected of them because of their special qualifications of training and professional status. And, in addition, they are invested with a unique obligation to influence citizen action for peace for years to come by reason of their position of leadership with respect to the younger generation. As citizens, teachers must try to give children and youth a chance of survival; as teachers, they must equip children and youth to make use of that chance."

Page 8:

"* * * It is more important than ever that teachers recognize the importance of educating for international understanding in our elementary and secondary schools. This is not to say that the responsibility ends here, for it does not. However, it can be said that acceptance of the responsibility to educate our children in international understanding is to give them a basic preparation that can be utilized in facing the problems that now and will continue to emerge."

Page 10:

"* * * If this educational challenge is to be accepted, it must be accepted boldly; that is to say, educators must be prepared to take the matter seriously and to embark upon a soberly conceived program with a determination to reach the objective. This will certainly involve curriculum revision and the recasting of many time-honored educational policies and practices. It is a case in which half-measures and lipservice will not be adequate, for if these are the substance of the effort, the challenge will go unanswered.

"This report summons the teaching profession of the United States to unite in planning and executing an educational program for a peaceful world."

CHAPTER 2. THE GOAL

Page 11:

"The long-range goal of education for international understanding is world peace and human welfare, achieved and maintained through a peaceful world order operating through international organizations. The immediate purpose of such education in the elementary and secondary schools of the United States is the development of American citizens who are conscious of their new obligations to mankind.

"The measure of success for a school program in international understanding is the extent to which the young people who are graduated from high school after 11, 12, or 13 years of opportunities to grow in international understanding can demonstrate both individually and in their communities throughout the Nation, an ability to think and act as Americans who see beyond the confines of their own Nation and its own problems. Such a citizen might be called a world-minded American."

Page 12:

"* * * These 16 experts met with the commitees sponsoring the present project for a 3-day conference at Pocono Manor, Pa., January 18–20, 1947. At this conference exhaustive discussion was devoted to the question of what the world-minded American should know, feel, and do. The names of members at the Pocono Conference are given in the acknowledgments.

"Out of the 200 letters and the 500-page transcript of the proceedings of the Pocono conference, the staff and sponsoring committees formulated a series of statements designed to identify some of the characteristics of world-mindedness toward which school programs in 'education for international understanding' might be directed. After criticisms and suggestions from many persons, leading to a succession of revisions, a list of 10 marks of the world-minded American was agreed upon by the committees. The list is as follows:

"Marks of the World-Minded American

"I. The world-minded American realizes that civilization may be imperiled by another world war.

"II. The world-minded American wants a world at peace in which liberty and justice are assured for all.

"III. The world-minded American knows that nothing in human nature makes war inevitable.

"IV. The world-minded American believes that education can become a powerful force for achieving international understanding and world peace.

"V. The world-minded American knows and understands how people in other lands live and recognizes the common humanity which underlies all differences of culture.

"VI. The world-minded American knows that unlimited national sovereignty is a threat to world peace and that nations must cooperate to achieve peace and human progress.

"VII. The world-minded American knows that modern technology holds promise of solving the problem of economic security and that international cooperation can contribute to the increase of well-being for all men.

"VIII. The world-minded American has a deep concern for the well-being of humanity.

"IX. The world-minded American has a continuing interest in world affairs and he devotes himself seriously to the analysis of international problems with all the skill and judgment he can command.

"X. The world-minded American acts to help bring about a world at peace in which liberty and justice are assured for all."

Page 14:

"* * * The 10 marks of the world-minded American as stated above in this chapter are the goal of education for international understanding toward which all teachers of all subjects in American elementary and secondary schools should direct their instruction. The fuller meaning of each of these marks is elaborated in chapter 3. Instructional problems involved in educating children and youth to the attainment of each of the 10 marks, together with suggested learning experiences appropriate to each, are considered in chapter 5."

CHAPTER 3. THE MARKS OF THE WORLD-MINDED AMERICAN

Page 21:

"* * * More recently, the idea has become established that the preservation of international peace and order may require that force be used to compel a nation to conduct its affairs within the framework of an established world system. The most modern expression of this doctrine of collective security is in the United Nations Charter."

Page 31:

"* * * The social causes of war are overwhelmingly more important than the attitudes and behavior of individuals. If this be true, the primary approach to the prevention of war must involve action in the area of social and political organization and control. The role of the individual, however, is not unimportant. It must be recognized that individuals do have tendencies toward pugnacity and aggression, that they react to frustration, that they respond to emotional appeals of aggressive leaders, and that they can develop callousness toward violence and human suffering. All these human traits make war more possible, but by no means inevitable. The educational problem both in and out of school is to assist individuals to recognize their own behavior tendencies and to assist them in directing their behavior toward peaceful and other socially approved ends."

Page 34:

"* * * While we need not demonstrate the proposition that a world-minded American has a deep faith in the power of education generally, something remains to be said of the power of education as a force for achieving international understanding and world peace. Here the matter is much broader than formal education in American schools. Education for international understanding involves the use of education as a force for conditioning the will of a people, and it comprises the home, the church, the school, and the community. It utilizes old techniques and mass media such as the printed word, the cinema, the radio, and now television. It involves, too, the efficacy of education for peace as a force among all peoples of the world and not merely the United States.

"In an absolute sense, there is no empirical evidence to prove that education can become a powerful force for world peace. It is not, however, necessary to have this proof for the world-minded American to place a faith in education as an instrument for world peace. We do know that education has contributed substantially to the attainment of lesser goals and with this knowledge there is reason to believe that education can make a substantial contribution to the achievement of this high purpose.

"It is not enough, however, for the world-minded American to believe that simply because education has accomplished certain ends, it can assist in attaining world peace. Such a belief, if carried no further, rests on a tenuous base of assumption that mere exposure to a bombardment of ideas and the completion of certain mechanical processes will produce a desired result."

Page 35:

"* * * The world-minded American believes that the force of education as a factor for peace lies in the capacity of the educative process to develop standards and values, and to supply knowledge and perception, and from these two to produce citizens who understand the necessity and desirability of peace and the role they can play in achieving it."

Page 36:

"Education for Peace Through Mass Media

"World-minded Americans are aware of the tremendous educational potency of the media of mass communication—the press, film, and radio. Teachers from 28 different countries, assembled at Endicott, N. Y., in August 1946 for the World Conference of the Teaching Profession, declared:

"'The influence of the press is limited only by the extent of literacy; the radio leaps across national boundaries to inform and inspire all who have ears

to hear; the cinema teaches its lessons, wholesome or detrimental, with a power and persuasiveness beyond those of the most skillful teachers and the most highly organized educational systems. These, and other modern media of mass communication, have in the past and may in the future work either with teachers or against them in their efforts to develop international understanding.'

"It is important that the world-minded American develop an ability to discriminate and analyze what he reads, sees, and hears through these mass media. At the same time, he should use these media in promoting the ideal of peace and in convincing others of the validity of the objective."

Page 37:

"* * * UNESCO is devoted to formulating and carrying out on a world-wide scale a positive program for promotion of international understanding through education."

Page 37:

"* * * UNESCO offers a direct means through which the power of education may be channeled for the gradual achievement of its overall objective. There has seldom been an opportunity of this kind offered to the people of the world. It behooves the world-minded American to know what UNESCO is and what it is attempting to do. Having discovered this, he should lend his efforts to its support. Every person has a part to play in promoting the purposes of UNESCO, but because of the nature of the job to be done an extraordinarily large responsibility rests upon members of the teaching profession."

Page 44:

"The World-Minded American Believes that Unlimited National Sovereignty Is a Threat to World Peace and that Nations Must Cooperate to Achieve Peace and Human Progress

"* * * The nation-state system has been in existence for about three centuries. Although serious attempts have been made by many of the nations during this period to establish permanent peace on a worldwide basis, all such attempts have failed. The nation-state system has not been able to the present time to abolish wars. Many persons believe that enduring peace cannot be achieved so long as the nation-state system continues as at present constituted. It is a system of international anarchy—a species of jungle warfare. Enduring peace cannot be attained until the nation-states surrender to a world organization the exercise of jurisdiction over those problems with which they have found themselves unable to deal singly in the past. If like conditions continue in the future as in the past, like situations will arise. Change the conditions, and the situations will change."

Page 45:

"* * * Unfortunately man did not attain peace through the nation-state system on a worldwide basis.

"So long as these narrow nationalistic ideas continue to be held by many people in all nations today, there is a threat to peace.

Page 46:

"The Society of Nations Today

"We are likely to take the present nation-state system for granted; but in so doing, we are likely to overestimate its permanence and underestimate its significance. A study of the development of nation-states in world history raises the possibility that since the society of nations is only three centuries old, the system is not necessarily permanent but may be only a stage in the evolution of political groups. On the other hand, since we are faced today with the actuality of some 60 independent, sovereign political entities, recognition must be given to the difficulty of reconciling the objectives of their foreign policies. Attempts to bring about world cooperation in trade, social welfare, control of armaments, and education are blocked by nations who are either too selfish or too unenlightened to be willing to cooperate. Since collective action by states frequently calls for unanimity to achieve a desired goal, the failure of one of the powers to cooperate will block the attempt. World organizations derive their strength from the voluntary participation and support given by the member nations."

Page 53:

"* * * Role of public opinion: Some knowledge of governmental structure is of particular importance in understanding the role of public opinion in foreign policy, for in democratic countries, the public is ultimately the judge of all governmental actions. In these countries, therefore, the public will be the ultimate arbiter of the issue of peace or war.

"In our own country, there is and there will always be a gap between the formulation and execution of policy by the Government and its scrutiny by the public except on major issues. This is true because issues arise from day to day that require action within the framework of established policy. Sometimes these day-to-day operations create new policy. The point is that except on matters involving treaties, appropriations, and appointments, there is no constitutional requirement that the public or Congress be consulted, and in many cases it is doubtful if this could be done even if it were required.

"Our system is one in which the public can, does, and should express its opinions through established means, thereby affecting the course of foreign policy. In many matters, the Congress has a significant voice and the public has a full opportunity to bring its judgment to bear. In others, the public has the role of approval or disapproval after a course of action has been embarked upon.

"There is one characteristic of our system that does not obtain in many other democracies—the pressure group. These are individuals or groups devoted to special pleading of all types and trained in the art of influencing legislation. They are often very influential in determining the course of govermental action.

"In parliamentary systems, much the same situation obtains. It may be said, however, that in some parliamentary systems, notably the British system, official conduct of policy is even more responsive to public opinion than in the United States since the group in control of the Government may be more easily deposed from office.

"In totalitarian countries, there is the facade of popular control of government; but with opposition carefully controlled and representative bodies carefully chosen, there is seldom if ever any decision except approval of what the leaders desire. This may not always be the case, however, and it behooves the world-minded American to give some attention to the role of public opinion in totalitarian states."

Page 54:

"International Organization

"The world-minded American is deeply concerned with the problem of how world organizations can be made to work most effectively—how they can be used to gain big ends as well as little ones—above all, how the United Nations can be made to contribute maximally to world peace and human progress. And his concern for these matters is not confined to feeling and wishing; he also studies them and does what he can to contribute to the success of the United Nations and other international organizations."

Page 57:

"* * * The demonstration of the feasibility of international organization in nonpolitical fields and the failure of the League of Nations makes even more clear the fact that it is in the area of 'political' organization where failure seems to be consistent. This suggests that the difficulty may be traceable to the dogma of unlimited sovereignty—that nothing must be allowed to restrict the complete independence of the state. It suggests also that the dogma of sovereignty has a high emotional content that is self-generated and self-sustained and that so long as the dogma of illimitability obtains, international cooperation of a political nature will at best be tenuous."

Page 60:

"* * * The development of international cooperation as a contributing force to economic well-being is possible only insofar as it is applied to give direction to common positive aims and to condition the effects of national economic policies that would otherwise be serious disruptions of the interdependent world economy."

Page 62:

"International Cooperation for Economic Well-Being

"* * * And we cannot hope to achieve the objective of an increase of well-being for all men without planned economic cooperation on a worldwide scale. This proposition has already been accepted by most of the nations of the world and is evidenced in the establishment of new means to effect cooperation. The most notable of these are the Economic and Social Council of the United Nations and certain specialized agencies: The International Monetary Fund, the International Bank for Reconstruction and Development, the Food and Agriculture Organization, the International Labor Organization, and the International Trade Organization which is now in the process of being formed. The world-minded Amer-

ican realizes this cardinal proposition, but he realizes, too, that in order to translate it into action, he must understand the meaning of 'planned cooperation,' the purposes for which the new organizations have been established, and the extent to which they can contribute to the attainment of the objectives.

" 'Planned cooperation' in the economic field needs some definition. It is not simply a matter of many nations doing something together for the whole economic system. The world economic system is so complex that there are many areas in which better results may be obtained by not planning. It is, in large measure, a question of determining 'what' and 'when.' Planned cooperation is therefore a deliberate cooperative effort in the economic areas in which a careful study of the problems and circumstances will give better results than no planning."

Page 66:

"* * * Educators as well as our youth, if they are to be world-minded have a considerable obligation in achieving this particular mark of world-mindedness. They will support the present efforts being made toward cooperative solution of world economic problems. But to do this intelligently they must first make a concerted effort to understand economic forces and economic complexities. They can then assess the role of American economic foreign policy; they can then judge its validity in terms of the contribution it will make to the attainment of the eventual goal. They can also then lend a more intelligent support to the international efforts now being undertaken."

Page 78:

"Awareness of Techniques and Channels of Action

"* * * The American citizen can bring his personal influence directly to bear on international affairs in ways * * * and he can become an active member of one or more nongovernmental international organizations."

Page 80:

"* * * An individual can increase his effectiveness in influencing foreign policy by associating himself with organizations and by helping to formulate their attitudes on international questions. The groups most suitable for this purpose are the political party and those generally called pressure groups."

Page 81:

"* * * The world-minded American, as a part of his program of action, should concern himself with how these groups operate. He will find that he himself can probably have a greater influence through this technique. He will also find that since a great deal of official action is determined by pressure group action, the use of this device will enable him to be heard and will also enable him to urge his interest for peace against those he considers to be urging a contrary interest. He will find that the variety and interest of the groups with which he can affiliate are endless; and he must, therefore, examine carefully the aims of the group or groups to which he will devote his energies."

Page 82:

"* * * Teachers must act. As citizens, their obligation to act on behalf of peace and international cooperation is a responsibility shared with all other citizens. But teachers cannot be content merely to do just as much as others; they must do more. Teachers in almost any American community have greater competence in leadership skills and in knowledge than most of their fellow citizens. With greater capacity goes greater responsibility for bringing personal influence to bear on civic action on the local, State, and National levels."

CHAPTER 4. PLANNING FOR THE DEVELOPMENT OF INTERNATIONAL UNDERSTANDING THROUGH THE SCHOOL PROGRAM

Page 83:

" * * * Responsibility of the school: What is the responsibility of American schools for comprehensive program planning focused on the goal of international understanding? The urgency and the magnitude of the world crisis that now confronts the world's people make it mandatory that every person and institution devote maximum efforts toward building the foundations of peace. This means that schools must assume responsibility for helping all children, youth, and adults to have experiences which will advance understanding of international affairs and which will aid them in recognizing the significance of decisions in which they share, either directly or indirectly. This comprehensive approach is necessary in order that the entire population, young and old, may have experiences which will aid them to become increasingly effective world-minded citizens.

"To involve all citizens, a program in the field of international understanding must move beyond the conventional school-community relationships and organizations. In many communities economic and social groups are already at work on programs designed to increase understanding of international problems. The school, as a public agent, should seek to coordinate such efforts in order that the total impact of community thinking may be brought to bear on major issues. Such a role brings the school into working contact with those agencies in the community which are keyed to action, thus helping youth to function directly with adults and community agencies. By such procedure, too, the danger is lessened that the schools may remain ideological islands in a culture in which decisions are based on values remote from those taught in the school."

Page 91:

"* * * How can schools organize to assume their responsibility?

"Some of the elements and major tasks of developing a program of education for international understanding have been delineated in the preceding pages. The problem of organizing schools, school systems, and school-community relations must yet be considered. The principles and procedures suggested in the paragraphs which follow are not peculiar to the field of international understanding; they apply to any curriculum area."

Pages 92–98:

"Faculty planning.

"Community participation.

"Teaching aids and procedures.

"Student participation.

"Individual teacher initiative.

"Administration and supervision."

Page 98:

"* * * The administrative officials, together with the interschool planning committee, should develop such guiding principles as the following:

"The school system is committed to the task of educating for international understanding, which is recognized as an integral part of the total curriculum program. The task takes its place with other imperatives in the school program.

"Each established part of the school system is involved.

"An interdepartmental planning committee in each school is desirable for the purpose of releasing and coordinating individual school developments.

"Each school is encouraged to develop individual programs as effectively and rapidly as possible.

"An interschool planning committee exists for the purpose of interchange of information and stimulation. Individual school-planning committees may pool ideas through it and thus move toward more effective general school-system procedures."

Page 1005:

"The School in Community Organization for World Understanding

"The last chapter, VI, is entitled 'Aids and Sources,' and has four sections:

"Readings on the 10 marks of the world-minded American.

"Reading materials especially for pupils.

"Films and filmstrips.

"Continuing sources."

On page 217, under the first of these sections, it is stated:

"Readings on the 10 Marks of the World-Minded American

"This section is devoted largely to books and pamphlets, but a few magazine articles are also listed. Items in this bibliography have been selected with two criteria in mind: Authoritativeness and representativeness. Authors of works cited are in nearly all cases recognized authorities in their respective special fields. Readings listed have been chosen to represent different points of view and different facets of each of the 10 marks. No title is cited more than once in this 10-part bibliography; for, even though many of the references might contribute to understanding of 2 or more marks, each is classified under the mark to which it can make its most distinctive contribution. All readings in this section are written on the adult level and may, therefore, be expected to be of most usefulness to teachers, but many of them may also be used profitably by secondary-school students.

"The books and pamphlets have not all been checked, because of the limitation of time, but a casual glance reveals such names as Manley O. Hudson, Philip C. Jessup, W. E. B. DuBois, Max Lerner, Alvin H. Hansen, Stuart Chase, Commission to Study the Organization of the Peace (Eichelberger), Maxwell S. Stewart, Mortimer Adler, Lowell Mellett, Joseph Kise as well as pamphlets from U. N. and the Foreign Policy Association, Institute of International Education, the Public Affairs Committee, and World Peace Foundation.

"In a section headed 'Acknowledgments' at the end of the book, these names appear:

"Chandoe Reid of the Horace Mann-Lincoln Institute of School Experimentation, Teacher's College, Columbia University, E. U. Condon, Vera Micheles Dean, Frank Fleming, Donald Stone, Quincy Wright, Harry Bard, David Adler.

"In addition, Willard E. Givens, under the title 'Education for the New America' in the proceedings of the 72d annual meeting of the National Educational Association, is quoted as follows:

" 'This report comes directly from the thinking together of more than 1,000 members of the department of superintendence * * *.

" 'A dying laissez-faire must be completely destroyed and all of us, including the "owners," must be subjected to a large degree of social control. A large section of our discussion group, accepting the conclusions of distinguished students, maintain that in our fragile, interdependent society the credit agencies, the basic industries, and utilities cannot be centrally planned and operated under private ownership.

" 'Hence they will join in creating a swift nationwide campaign of adult education which will support President Roosevelt in taking these over and operating them at full capacity as a unified national system in the interests of all of the people. * * *'

"Mr. Givens became executive secretary of NEA in 1935 and remained in that post until 1952 according to Who's Who. Briefly he has a 'diploma' from Union Theological Seminary, A. M. from Columbia, was a fellow of Educational Institute of Scotland 1947, was a member of the American Youth Commission of the American Council on Education, member of Educational Policies Commission of American Academy of Political and Social Science, member of United States education mission to Japan, 1946, Board of Visitors, Air University, 1946–50; member, combined Armed Forces educational program, 1949–53; chairman, National Conference for Mobilization of Education, 1950; chairman, second United States educational mission to Japan, 1950.

"This organization began back in 1865 as the National Association of School Superintendents, and 1870 became one of the four original departments of the NEA. Under the act of incorporation (1906) it was called the department of superintendence, and in 1921 was reorganized with a full-time executive secretary at NEA headquarters. In 1937 the department adopted a revised constitution and bylaws, and its name was changed to the American Association of School Administrators. According to the NEA Handbook, 1953–54, it has a membership of 8,700" (p. 290).

Mr. WORMSER. That is all we have to offer you today, Mr. Chairman. Mr. Dodd has been on the stand almost 2 hours.

The CHAIRMAN. There may be some questions.

Mr. HAYS. I have a whole series of questions. I hope they will not take as long as Senator McCarthy is taking with Mr. Stevens. I think I can do it in an hour or less. I think in view of the fact that it is almost time for the House to go into session we might defer them until the morning. I can start.

The CHAIRMAN. We do have 15 minutes, but that is entirely with the convenience of the committee.

Then if agreeable we will resume Tuesday morning, concluding with Mr. Dodd, and then having the other witnesses. So we will tentatively schedule the hearing for the Public Works Committee room on Tuesday, at 10 o'clock. The committee will be adjourned.

(Thereupon at 11:55 a. m., a recess was taken, the committee to reconvene in the Public Works Committee room, on Tuesday, May 18, 1954, at 10 a. m.)

TAX-EXEMPT FOUNDATIONS

TUESDAY, MAY 18, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special subcommittee met at 10 a. m., pursuant to recess, in room 429 of the House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece (presiding), Hays, Goodwin, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; and John Marshall, Jr., chief clerk of the special committee.

The CHAIRMAN. The committee will come to order.

I think Mr. Dodd remained to be questioned.

Will you take the witness chair, Mr. Dodd?

Mr. WORMSER. Before Mr. Dodd starts, may we introduce a composite copy of the Cox committee record and their report? I certainly hope it does not need to be reprinted, but I think it ought to be part of our record.

The CHAIRMAN. It is submitted to be a part of the record but not for printing, you mean?

Mr. WORMSER. Yes.

The CHAIRMAN. I see no objection to that. Without objection, it will be accepted.

(The documents referred to are on file with the committee.)

TESTIMONY OF NORMAN DODD, RESEARCH DIRECTOR, SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS—Resumed

The CHAIRMAN. Congressman Hays had some questions he wanted to ask you.

Mr. HAYS. The record will show that Mr. Dodd is still under oath; is that right?

The CHAIRMAN. Oh, yes. I am assuming that is the case. That is the case, is it not, Mr. Wormser?

Mr. WORMSER. Oh, yes.

Mr. HAYS. Mr. Dodd, I would like to ask you if you prepared the statement that you made to this committee on Monday and Tuesday, May 10 and 11?

Mr. DODD. Did I prepare it, Mr. Hays?

Mr. HAYS. Yes. Did you prepare it?

Mr. DODD. Yes, sir; I prepared it, sir.

Mr. HAYS. Do you have a copy of that statement in front of you?

Mr. DODD. I have.

Mr. HAYS. You may want to refer to it.

Mr. DODD. I have a mimeographed copy right here, Mr. Hays.

Mr. HAYS. On page 14 of the prepared statement, you said, and I quote:

> We have used the scientific method and included both inductive and deductive reasoning as a check against the possibility that a reliance upon only one of these might lead to an erroneous set of conclusions.

Is that true?

Mr. DODD. That is true, sir.

Mr. HAYS. In the foreword of the same document, you expressed the hope that your research report would be determined by this committee, the foundations, and the public to be "constructively critical," and I quote the last two words, is that true?

Mr. DODD. That was my hope; yes, sir.

Mr. HAYS. The research report which you presented was your personal report based on the work of the research staff under your direction, is that true?

Mr. DODD. Yes, sir.

Mr. HAYS. Conclusions of your report are presented therefore and represent your personal honest conclusions as to the results of the research work done under your direction?

Mr. DODD. In a descriptive sense, yes, Mr. Hays.

Mr. HAYS. You have not by omission or alteration set forth these conclusions in any way so as to mislead this committee or the public with respect to your findings?

Mr. DODD. On the contrary, I have done everything that I could do to make it helpful to the committee.

Mr. HAYS. I have some notes being typed up which I thought would be here by this time. I have been a little handicapped by not having a complete staff, and there are two quotations in those notes that I would like to read to you from your report. Perhaps I can find them before the girl gets here.

While I am waiting for that, looking for that, have you been able to get together with the staff on a definition of what you mean by pro-American yet?

Mr. DODD. I have, sir.

Mr. HAYS. Could we have that definition at this point?

Mr. DODD. A working definition for this purpose would to me be that which fosters and furthers the principles and the form of the United States Government and the constitutional means set forth to change those principles.

In other words, it would be the reverse of the definition which we used as to what was un-American.

The CHAIRMAN. And the institutions under which we have prospered for some 160 years.

Mr. DODD. I have confined it entirely to the Government, for working purposes, Mr. Hays.

Mr. HAYS. Well, that is merely a working definition, so that we have it in there when we talk about this term and we will have a general idea what is meant by it.

Mr. DODD. I would like to feel that we were very specific in that sense and we knew that we didn't mean something else.

The CHAIRMAN. While you are waiting, would you permit an interjection?

Mr. HAYS. Surely.

The CHAIRMAN. I might ask, Mr. Dodd, if any efforts to influence you or the research staff have been made by the chairman or, for that matter, any other member of the committee?

Mr. DODD. On the contrary, sir, I know of no such efforts to influence, if I understand the word "influence."

Mr. HAYS. I might ask a question right there which is brought to my mind. Have you had very much direction from the chairman or any member of this committee in the way your research would go? I mean, have you been told what general lines to follow, or have you just, more or less, gone on your own?

Mr. DODD. I think it has been a matter of complete freedom of exchange, and keeping the chairman absolutely informed, Mr. Hays.

The CHAIRMAN. But has not the chairman, from the very beginning, advised the staff, as he so advised the committee, that his hope was that the study of this committee would be completely objective in an effort to draw a picture of the whole foundation question for the benefit of the Congress and the people in the years to come?

Mr. DODD. Mr. Chairman, everybody with whom I have had contact in this has taken that exact stand.

Mr. HAYS. I thought I would have these questions typed. But in the meantime I can ask you a couple of others and then we will go back to this original group.

I have here an editorial from the New York Herald Tribune of Saturday, May 15, and I will quote you a statement. It says:

> The assumption seems to be—

referring to these hearings—

> The assumption seems to be that there is a public interest or an American idea or an accepted body of dogma to which the facts must be made to conform in these hearings.

Now, do you take that attitude, that there is a definitely outlined public interest, and this is in quotes "or an American idea," or an accepted body of dogma that all things must conform to or else they are not in the public interest, and un-American?

Mr. DODD. No, sir. I felt, Mr. Hays, that there was an accepted body of principles which were traditionally American to which these facts, as they unfolded, should be related. It is not made to conform, if I understand what you mean correctly.

Mr. HAYS. You say that you think there is an American body of principles. That is a kind of vague term. I do not exactly know what you mean by that. Could you define that a little more?

Mr. DODD. I can define it by describing exactly how we approached this matter.

Starting with the obligations set forth in the resolution, it seemed to me that the committee was obliged to look over a set of facts against a background of those elements which were used as the basis for a definition as to what was un-American or subversive.

Now, that working definition referred us to the Constitution and a set of principles. Only to that extent do I believe that there is a definable basis against which these facts must be looked at.

Mr. HAYS. The reason I am so careful about this series of questions is that I want them to be exact because there is a considerable principle involved here, Mr. Dodd.

Mr. DODD. We have tried to be very exact, too, Mr. Hays.

Mr. HAYS. Well, that will come.

Now, I will repeat this question No. 6, I am sure that I am just doing this in order to get back on the track, because question No. 7 that I am going to ask you is the key question.

Number six, have yon not bv omission or alteration set forth these conclusions in any way so as to mislead the committee or the public with respect to your findings?

Mr. DODD. No, sir.

Mr. HAYS. Your answer was "No, sir"?

Mr. DODD. That is right; yes, sir.

Mr. HAYS. Now, Mr. Dodd, I received several copies of your mineographed statement which you distributed publically last week. I was amazed to find that these include two significantly different versions of your public testimony. I just got a group of your first day's hearings, and I was going over them, and the thing did not seem to be exactly the same, and I got to comparing it more closely.

Upon close examination, it appeared to me that one version has been clearly edited and changed from the other.

Now, under oath, you just said that you had made no omissions or conclusions which might mislead the committee. I have not had time to analyze all of the variations between the 2 editions of the report, both of which you say set forth your conclusions of 8 months' study.

Mr. DODD. May I ask a question, Mr. Hays?

Mr. HAYS. Let me finish this.

But I find, for example, this specific omission which would appear to have been made solely for the purpose of deleting a conclusion of your study, which would have been favorable to foundations.

Specifically, on page 10 of the undoctored version, you conclude that foundations' grants were not directly responsible for an alleged deterioration in the standards of American scholarships. The actual words used in the undoctored version, with reference to the purported deterioration, were:

> Cannot be said to have been due directly to foundation grants.

On page 9, with reference to the charge of favoritism in the undoctored version, you conclude that —

> We analyzed thoroughly, what was favoritism in the mind of the critic seems to have been litle more than a reasonable response to circumstances.

Now, here is the question: Is it true that both of these favorable conclusions were deleted in the version which you subsequently gave to this committee on Tuesday, not having, as you said then, a mimeographed statement ready, and which you presented to the press?

Mr. DODD. To the best of my knowledge, as I sit here right now, both of those conclusions are in the report.

Mr. HAYS. They are in the report that you gave to the committee on Tuesday?

Mr. DODD. To the best of my knowledge, yes, sir, as I sit here now, because they were a definite part of it.

Mr. HAYS. Let me ask you this, Mr. Dodd: Are there two separate and distinct mimeographed statements that you purported to have made?

Mr. DODD. Not to my knowledge, sir.

Mr. HAYS. Not to your knowledge?

Mr. DODD. No. The mimeographed report, Mr. Hays, that I have here is——

Mr. HAYS. I have in my hand, Mr. Dodd, two reports, with the same cover sheet on them. They are starting out with page i, and with an identical foreword, and that is page ii, it is identical. Then we come to page 1, part 1, page 1, and they are identical. And page 2 seems to be identical. Page 3 seems to be identical. Pages 4 and 5 are identical.

But we come over to page 6, and there are several deletions. The two things do not read the same. And from page 6 on, you cannot compare them because what is page 6 on one, on the Cox Committee criticisms, and that goes on for 3 pages in the undoctored version, is all on 1 page in the doctored version.

Mr. DODD. I can only answer it this way, Mr. Hays, that those are two of our findings, and were reported by me. Those two findings are as you have expressed them.

Mr. HAYS. Well, Mr. Dodd, is it or is it not true that these conclusions that I have read were cropped out of the document you read to this committee?

Mr. DODD. Not to my knowledge, sir.

Mr. HAYS. They were not?

Mr. DODD. No.

Mr. HAYS. Well, we will have to go into the actual hearings. But the version which purported to be the version that came to me on Tuesday is not the same as the one I got by accident when I asked for some extra copies, apparently.

The CHAIRMAN. Will you yield? I would assume that you had various working memoranda and data preliminary to reaching the final draft which you actually presented to the committee. Ordinarily that would be the case. I do not know whether it was in this particular instance or not.

Mr. DODD. There were many working papers, Mr. Chairman, out of which I distilled this report, sir, and the 2 conclusions to which Mr. Hays makes reference are practically engraved in my memory, because they are two conclusions, that you cannot hold foundations responsible directly for this supposed deterioration in scholarship, and the other one is that this charge of favoritism, while it is understandable how it grew up, does not appear to me to be anything more than just what Mr. Hays read, an understandable and logical response to circumstances. I can understand how the criticism grew up.

Mr. HAYS. Well, Mr. Dodd, if you recall last Monday, I was very much surprised, as was the chairman apparently, and I am sure the press must have been, to find that there were no mimeographed copies of your statement. You read, as I recall it, your statement from a looseleaf notebook.

Mr. DODD. I did, sir, and I read it just as you saw me read it, from my own carbon copy.

Mr. HAYS. Do you mean to tell me that you do not have any knowledge of the fact that there was a mimeographed statement like this prepared and then another one which are significantly different?

Mr. DODD. I don't know of any two mimeographed statements, one of which contained that statement and another one which did not.

Mr. HAYS. Well, I have a copy of each one which came up from the committee office, and they are mimeographed obviously on the same mimeograph machine, if we have to go into that.

Mr. DODD. As far as I am concerned, Mr. Hays, I personally have spent and concentrated entirely on the content of the report and the mechanics of it, I have not——

Mr. HAYS. I thought there was a little something funny about it the other day, about the fact there was no mimeographed statement, and the thing sort of began to add up in my mind when I found these two different statements. I thought perhaps that it had been decided that you would not present your statement, but would change it.

Now, was there any editing done at any time prior to your appearance here?

Mr. DODD. Yes, sir; there was editing done.

Mr. WORMSER. Mr. Hays, may I interrupt?

Mr. HAYS. I want to ask Mr. Dodd, and then, Mr. Wormser, if you want to go under oath and have me ask you some questions I will. But I want to get to the bottom of who edited that and when.

Mr. DODD. All right, sir.

Mr. HAYS. That is what I am interested in right now. Can you tell me on what day and hour these changes were made, Mr. Dodd?

Mr. DODD. I don't look upon them as specific changes, Mr. Hays, but Mr. Wormser and I first went over this report on Thursday morning, which would have been 10 days ago. I was in the process of editing it and tightening it up, but that was a normal editing piece of work.

Mr. HAYS. That was not done after it was mimeographed?

Mr. DODD. No, sir.

Mr. WORMSER. Mr. Hays, may I just suggest that Miss Casey can explain. Mr. Dodd does not know the circumstances. And if you will trade, for a moment, Miss Casey for Mr. Dodd, she will explain the mechanics of what happened.

Mr. HAYS. If you can put somebody on the stand who can explain this, I will be glad to have him do it.

The CHAIRMAN. May I interject an amplifying question, Wayne?

During the period that you were formulating this statement and making the various changes which led up to the final draft, did you have any important consultation with anyone other than the members of the committee and the members of the staff involved?

Mr. DODD. None, Mr. Chairman.

Mr. HAYS. Before you leave the stand temporarily, Mr. Dodd, I want to make clear what I am trying to get at. I have gone over this. You say that this purports to be your conclusions, after long months of study. The one version has two very significant statements in it that the other does not. And what I am driving at is: How after long months of study can you suddenly throw out these two important conclusions?

Mr. DODD. I can readily understand the importance of the question, Mr. Hays. This report, if you will recall, at the committee meeting, was my effort to describe for the benefit of the committee the nature of

the work done, a description of its own findings in general terms, and the direction in which the facts tended to point.

That was the purpose of this report, and that report in my estimation should have had in it everything significant to be helpful to the committee.

Now, the two questions and the two statements to which you make reference have in my judgment been an important aspect of it all along.

Mr. HAYS. Then you would say that you want in that the conclusion that foundation grants are not directly responsible for any deterioration in the standards of American scholarships?

Mr. DODD. That is my feeling, sir. Yes, sir.

Mr. HAYS. And you want in there, also, with reference to the purported deterioration, that it cannot be said to have been due directly to foundation grants?

Mr. DODD. Yes, sir. And the other has to do with this inferred criticism of favoritism.

Mr. HAYS. All right.

I would like to have whoever can explain these two mimeographed versions to take the stand, and I would like to ask some questions about it.

The CHAIRMAN. Do you solemnly swear that the testimony you are about to give shall be the truth, the whole truth, and nothing but the truth?

Miss CASEY. I do.

TESTIMONY OF KATHRYN CASEY, LEGAL ANALYST, SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS

Mr. HAYS. Miss Casey, do you have any knowledge of two different mimeographed versions of Mr. Dodd's statement?

Miss CASEY. Yes, I do, may I explain——

Mr. HAYS. Yes. I would like in your own words to have you tell us about it.

Miss CASEY. Well, at the time the hearings were set and it was decided that Mr. Dodd would present a staff report, it was thought that we should have mimeographed copies available. When the report was I thought close to its final draft, I will have to confess I jumped the gun and had the stencils cut. We ran——

Mr. HAYS. Right there, when was that? Can you give us an exact date of it?

Miss CASEY. It was only Friday and Saturday, because we had quite a bit of difficulty getting the copies done by the duplicating office here in the Capitol.

Mr. HAYS. That was Friday and Saturday, prior to Mr. Dodd's appearance on Monday?

Miss CASEY. That is right. No distribution was made, and not even to the members of the committee.

Mr. HAYS. I am aware of that.

Miss CASEY. One reason Mr. Hays, was, that we were at the office until midnight Saturday, and I thought perhaps your office might be closed.

Mr. HAYS. I am sure it was. If it was not, it should have been.

Miss CASEY. I think ours should have been, too. I am sure the girls in the office thought so. But on Monday morning it developed there was going to be a slight rearrangement on one thing, after Mr. Dodd and Mr. Wormser had again gone over it. So new stencils were cut on certain pages, and page numbers changed on the others.

But in reference to what you are talking about, which appears, I believe, first on page 2, at the top of the page of the final report, it says:

Simultaneously, I undertook additional studies—

I believe this is what you read—

to the validity of the criticism leveled against the work done by the Cox committee, to substantiate or disprove the prevalent charge that foundations were guilty of favoritism.

But, Mr. Hays, if you turn over to pages 9 and 10—the reference to foundation criticism starts at the bottom of page 8——

Mr. HAYS. That is 9 and 10 of which version now?

Miss CASEY. This is the only version that was distributed.

Mr. HAYS. The distributed version?

Miss CASEY. Yes, sir, and let us call it the final version, because the other was a draft.

Mr. HAYS. All right.

Miss CASEY. And for which I will take full responsibility, as far as the duplication is concerned.

The CHAIRMAN. It was primarily an effort to be helpful to the members of the committee and the members of the press?

Miss CASEY. That is right.

Mr. HAYS. Miss Casey, right there, now we have got this thing pinned down pretty well, and you mimeographed these on Friday and Saturday. And now when were the changes made?

Miss CASEY. The changes were made when Mr. Wormser and Mr. Dodd met on Monday. Actually, Mr. Hays, they were not "changes" such as you say. If you will turn to pages 8, 9, and 10, the statement which I read before, from page 2, is elaborated in the same way that you found it in the next to final draft. That is on pages 8, 9, and 10, Mr. Hays.

Mr. HAYS. Do you have any completely assembled versions, like the one I have, of the original, before it was cut?

Miss CASEY. No, sir, everything, including the stencils were destroyed, and every copy of that was taken to the incinerator, so that there would be no possibility——

Mr. HAYS. Every copy was not, because I have one.

The CHAIRMAN. Every copy so far as you knew?

Miss CASEY. It was my understanding that every copy had been sent to the incinerator—taken there personally by a staff member.

Mr. HAYS. Now, I think we could argue indefinitely about whether changes have been made, but in order to get the record straight, would you have any objection, Mr. Reece and Mr. Goodwin, to making this undistributed version a part of the record, just so we can compare the two?

The CHAIRMAN. My own feeling is that the director of research who submitted his statement should be advised on that, as well as the general counsel.

As I analyze this thing, this situation, Mr. Dodd is the director of resarch and he had an initial and primary responsibility for digesting

and putting this into written form for presentation to the committee, and he made numerous notes and drafts.

He had made, after consulting with his assistants, what he thought was essentailly a final draft for presentation to the committee. But at that time, he had not consulted with the general counsel or the assistant general counsel with reference to the exact wording of part of the report, and they also have a responsibility.

Over the weekend that consultation was had among themselves, that is, among the members of the staff, and certain modifications were made, as Miss Casey states, in some instances something was taken out, and it is amplified in another part of the report.

It seems to me like a prefectly logical way to develop a statement for a committee, that is, for the members of the staff to consult among themselves. They have stated, even under the affirmation of an oath, that they did not consult with anybody, any outside interests, as to what this preliminary presentation to the committee might obtain.

So far as I am personally concerned, I have no objection for their work notes and preliminary drafts to go into the record. But I do not feel that it is the logical way to proceed with a presentation.

That is my reaction to it.

Mr. GOODWIN. Mr. Chairman, I regret that I had to come in late. As a matter of fact, I would have been here when the gavel fell, as you know, except for the fact that I felt I ought to be up in the Armed Services Committee to help save for the Commonwealth of Massachusetts a facility which we believe is very important to us.

So I am a little lost to know what is going on here. Apparently, the question is whether or not there should be put into the record preliminary drafts of a certain statement, is that it?

The CHAIRMAN. Yes, sir.

Mr. GOODWIN. Do I understand that it is a fact that the preliminary drafts show some change of heart, or change of mind on somebody's part?

Mr. HAYS. I would say not that——

Mr. GOODWIN. I should not press that question.

Mr. HAYS. Go ahead and press it.

Mr. GOODWIN. It is in my mind that if this is something simply cumulative, and if what my distinguished friend from Ohio now wants to put into the record is something cumulative and will be of no value to us in the future, I should think that it should be kept out.

If, however, it states a frame of mind on somebody's part who is going to have a portion of the responsibility of directing this investigation, it seems to me that it might be well that we should have it.

The CHAIRMAN. Would you permit Miss Casey——

Miss CASEY. Mr. Goodwin, may I say this: That your first statement about it being cumulative is more accurate than any change of heart.

Actually, it is merely a rearrangement that was agreed on, and a particular statement on page 2 is not elaborated. Mr. Dodd's report said to "substantiate the prevalent charge that foundations were guilty of favoritism in the making of educational grants," and then that is elaborated in the same manner that it was in all of the drafts on pages 8, 9, and 10. Mr. Dodd's statement contains the same language that Mr. Hays read, "we analyzed thoroughly," that is a very reasonable thing to have happened, "the way in which the grants were

originally made by some of the foundations to the larger institutions," and he explains why.

All of that is in the final version which was distributed to the press and to the people who asked for it. It was only rearranged from the next-to-final version for which, as I explained, I had stencils cut with the idea that it would be available first thing Monday morning. sultations among themselves, Mr. Dodd, Mr. Wormser, Mr. Koch,

Mr. HAYS. To put this back in the language of the chairman, he says that this represents a digestion of your findings over a period of 8 months. What I am trying to find out is who caused you to get indigestion over Sunday, here. I will read you some more changes that were made in this, if you would like me to, and in fact I want to question about them.

The CHAIRMAN. I don't remember the chairman's exact words, but he did not intend to say that this was a digest of the findings. I would not want to say that it was a digest of findings.

Mr. HAYS. I don't want to quibble about your words, but I made some notes about them, and if I am wrong, the record will show it.

The CHAIRMAN. I would like to ask Mr. Wormser whether he feels there is any objection to the part that is in the working draft being put in the record along with the presentation which Mr. Dodd made to the committee.

Mr. WORMSER. Before I answer that, may I respectfully request Mr. Hays to excise his word "doctored," and I think that there is no evidence at all that anything was doctored, Mr. Hays. That has rather unpleasant significance.

The CHAIRMAN. That is the purpose of my——

Mr. HAYS. Mr. Chairman, I am not going to delete my language from my statement, and I used the word "doctored" and I am going to stand on it until someone shows me it wasn't doctored, and I am going to right now read you another sentence, and I will use the word "changed," if that makes you feel better, Mr. Wormser.

The CHAIRMAN. Will you permit an interjection there again? As I stated earlier, the staff developed a presentation for the committee. During the course of that they consulted no one except the members of the staff, and the members of the committee, insofar as they did consult the members of the committee. No outside person was consulted. In the process of developing the statement, they had various working data and they had preliminary drafts, and, as is a natural consequence, they ultimately had a preliminary final draft, which might very well have become the final draft. After additional consultations among themselves, Mr. Dodd, Mr. Wormser, and Mr. Koch, Mr. McNiece, and Miss Casey, made some consolidations, tightening it up, and may have taken some things out. But whatever was done was their own work. The chairman can't see any possible grounds for any inferences except that the staff in good faith tried to develop the most perfect and complete presentation for the benefit of the committee.

I, as one, want to commend the members of the staff in their industry and effort in developing and putting out their fullest efforts to develop the best statement possible for presentation to the committee.

That, now, is the chairman's analysis of the way this was handled, and I don't see any possible grounds for any adverse inferences to be drawn from that method of procedure, which is a normal one. I have

been on committees up here around the Hill now for some 30 years, and when I could get a staff to proceed in that way I always felt very grateful.

Mr. WORMSER. May I now answer your question, Mr. Chairman. You asked whether I had any objection to introducing the preliminary draft. I do have an objection, and I think it is unfair to Mr. Dodd, and I think it would be just as unfair as asking a man to publish a draft of a book when he has published the book itself. Mr. Dodd's opinions, as far as I know, have not altered one bit between the drafting of the first one and drafting the second one, but the actual wording of the instrument, or the document, which he wanted to present to the document and read at hearings was in some respects changed and rearranged and what not. I think that he has personal responsibility for issuing this report, and he is entitled to rest on the final report which he gave, and not be confused or made responsible for a draft of any kind. The draft has not been made public, and no effort was made to distribute what we call the preliminary report in any way, and it was not made public as far as the committee was concerned, as far as the staff was concerned. It was not distributed to anyone.

Mr. HAYS. Let me say, Mr. Wormser, that I am not trying to confuse Mr. Dodd. God forbid. According to some of the newspaper editorials, some of the responsible newspapers think he is confused enough as it is, and I am just trying to straighten him out a little bit. I want to say, though, that whether you agreed to introduce it or not is immaterial to me. Apparently I have the only living copy of the so-called preliminary final draft, and I still say that I want to get to the bottom of why this was done after 10 months, Mr. Wormser, after 10 months of study, and so on.

I am sure that you have known for a long time that these hearings were going to start last Monday, and as a matter of fact they have been postponed 2 or 3 times, and it seems to me a little bit queer, to say the least, that after this draft was mimeographed on Saturday, that it was gone over and completely edited on Monday morning, and the committee itself didn't even have a copy of it, and only by accident I got a hold of a copy when I phoned down to one of the staff the other day, and I can't even remember the gentleman's name. I was sent up a couple of copies, and only probably by accident I discovered the changes in them. But to me, after 10 months of study, the fact that these significant changes were made either Sunday night or at breakfast Monday morning or sometime, deserves a little bit of comment. If this 10 months of study hasn't firmed anything up at all yet, why, then, let us develop the testimony here in hearings and throw Mr. Dodd's statement clear out and start afresh. I think that that would be an invigorating way of doing it.

Mr. GOODWIN. Mr. Chairman, I always like to be on even terms with my associates on the committee, and might I inquire whether there would be any facilities for all members of the commission to have made available to them whatever there is by way of working sheets, and I don't know what it is that my distinguished friend from Ohio has before him. Whatever is available to me, should it not be made available to other members of the committee?

Mr. HAYS. It seems that I have the say about that, and since I have the only copy, I will promise right now I am not going to yield it to

anybody, but I will have my staff make some exact duplicates of it, but I am not going to trust it out of my hands.

The CHAIRMAN. For Mr. Goodwin's benefit, I think Miss Casey might state how this draft came into being.

Mr. GOODWIN. Perhaps she stated it once, and I don't want her to repeat anything.

Miss CASEY. I will be glad to, Mr. Goodwin. At the time Mr. Wormser left, after going over the statement with Mr. Dodd on Thursday—and at this point I would like to say that I hope we are not asked to give copies of all of the drafts, because that would entail a considerable amount of work——

Mr. GOODWIN. I am sure Miss Casey will know I was somewhat facetious. I don't like to feel that I am at a disadvantage, and here is my associate here with a lot of material before him, which apparently he finds most interesting, and I haven't anything.

Miss CASEY. The chairman and the staff are at the same disadvantage, because we don't have copies of the document that Mr. Hays has now, except perhaps in a penciled draft that is crossed out and whatnot from which we would have to make another copy just like that, if we were asked to do it. I don't say it is impossible, but it might vary from comma to comma unless we had access to proofread it against his copy.

Mr. HAYS. I will be glad for you to do that.

Miss CASEY. If it is decided that we cut the stencils, Mr. Hays, I will take advantage of it. To answer Mr. Goodwin, after telephone conversations between Mr. Dodd, and Mr. Wormser, and Mr. Koch, and myself, the last copy of Mr. Dodd's report seemed to me to be approaching a point where it was possible to mimeograph it. I had the stencils cut, and I had the stencils run with two things in mind.

The hearings started at 10 o'clock on Monday, and Saturday was half a day, as far as the duplicating room at the Capitol was concerned. We had them run, I have forgotten the exact number of copies, but there were enough for copies to be available to the press, and available for each member of the committee.

On Monday morning, it developed that—well, a rearrangement and not a deletion, Mr. Goodwin, was made in Mr. Dodd's report. The entire material that is in the unpublished draft version that Mr. Hays has, is in this one, but it is in a slightly different position. It may not be expressed at as great length, but everything is there.

Now, I am responsible for having the stencils cut, and having the stencils run and finally having those stencils destroyed, and I thought all of the copies were taken to the incinerator.

Mr. GOODWIN. Could I ask Miss Casey one question, whether or not when she started work on whatever was necessary to be done before it was actually distributed, whether or not the material placed in your hands then appeared to be a finished product, and ready to go ahead with?

Miss CASEY. Yes, I knew in a sense there might be—or rather, there is always a possibility that changes might be made afterward, but considering the length of this, Mr. Goodwin, and I think it runs some 36 pages, the sheer mechanics of it somewhat overwhelmed me between Saturday morning and Monday. It may have been an error in judgment on my part to have had the stencils cut and run.

Mr. HAYS. Were there two complete? Now, this thing comes to us in two sections, the Monday section and a Tuesday section. Did you rerun both of them?

Miss CASEY. Yes, we reran it. You see, by rearranging it, some of the page numbers varied, and so in those cases, I think that I am right, we had to rerun it. We had to rerun most of it, let me put it that way.

Mr. HAYS. I only have the original of Monday's version, and it is hard to tell what has been lost to the world by the fact I didn't get Tuesday's, too.

Mr. GOODWIN. Is there something else you want, Mr. Hays?

Mr. HAYS. Well, Mr. Goodwin, this is a little bit serious, I think, because some of the changes in language, in here, would indicate that the staff was prepared after 10 months of study to damn these foundations pretty severely, and then apparently somebody came along and said, "Look, I don't think we can get away with quite this, we had better tone this thing down a little bit, because if we go out at it too badly we may just get run clear out of the Capitol. We had better move into this thing a little more gradually."

So, instead of saying in some places, for instance, here it says, these penciled notes are mine, but in one place it said, "Our studies indicated conclusively that the responsibility for the economic welfare of the American people had been transferred completely to the executive branch."

Well, in the new version, they took out the word "completely" and said "heavily" and you see they didn't want to go whole hog on that particular one.

The CHAIRMAN. There is nothing unusual in changing phraseology and words.

Mr. HAYS. Now, Mr. Chairman, may I finish? There is something unusual in this whole procedure. It was unusual Monday, and I was amazed—and maybe this isn't true; Miss Casey is still here, and she can tell us to read in the papers that when the press came up to look at the final complete version, or we have used so many terms here, this is the preliminary final version, but then the final version—which was in looseleaf typewritten pages, that Miss Casey grabbed it and refused to let them look at it.

Miss CASEY. Let me clear that up. In the first place that was not the final draft. Those were Mr. Dodd's notes, and he had a great many penciled notations for his own guidance. I did not feel, and I don't feel now, nor I feel sure would you that the press could just take that and say, "Well, Mr. Dodd said this," because it happened to be a notation. That could be misconstrued, and I felt in justice to the committee it should not be done.

Mr. HAYS. That is an explanation, and I just wondered about it, but of course the whole crux of the matter goes back to the fact that you did have a version ready, and then that version was changed Monday morning rather significantly, and then you didn't have any ready.

Miss CASEY. I would give you the same protection if you were going to make a speech on the floor of the House and had some penciled notations on what you were going to read which might even be in a sort of, in hybrid shorthand, which could easily be misconstrued. I would feel you should be protected against someone misconstruing it.

Mr. HAYS. I will say this, Miss Casey, you needn't worry much about that, because if you will sit on the floor and hear what some of the Members say and then read the Congressional Record the next day, you will know that we have complete protection.

Miss CASEY. If you were speaking at a dinner perhaps it would be a better illustration.

Mr. HAYS. As a matter of fact, and I am sure the chairman won't take anything personal about this, I read with great interest just recently what he is alleged to have said when he was getting this resolution through and there was a lot of stuff that was introduced by unanimous consent that he didn't say, but it looks like he said it in the record. You see, we are protected, you don't need to worry about us.

The CHAIRMAN. Anything I didn't say in the record was for want of time and not disposition. Are there any other questions?

Mr. HAYS. I have some more questions.

Mr. WORMSER. May I correct the record in one respect? You have been talking about 10 months of preparation and it has been 6 months and not 10, and may I recall also that this report was drawn in great haste. I am not trying to detract from its character, but at a committee meeting, and I don't know whether you were there or not, Mr. Goodwin, it was agreed that Mr. Dodd would prepare such a report for the express purpose not only of informing the committee, but of giving the foundations notice of what our main lines of inquiry would be. It was done in great haste, and we had only a week, or something slightly over a week, to produce the thing and get it out. I could not see it nor could Mr. Koch until it had been finally drafted.

Mr. HAYS. You don't need to apologize, Mr. Wormser. You told me a month ago that Mr. Dodd was going to be your first witness, at least a month ago. As a matter of fact these hearings were set down originally for sometime way back in April, and even then I knew he was going to be the first witness. Let us not quibble about a week or so.

Mr. WORMSER. It was not intended then, Mr. Hays, that he would file a report. Now, this report had to be finished in approximately a week.

Mr. HAYS. I have some more questions I want to ask Mr. Dodd.

The CHAIRMAN. Mr. Dodd, did you want to make a statement?

Mr. DODD. May I make a comment on something Mr. Hays said a few minutes ago? Mr. Hays mentioned that the atmosphere behind this whole thing is as though the staff had set out to damn the foundations.

Mr. HAYS. Now, just a minute, don't put words in my mouth. I think what I said was that it would appear from this original, what do we call it, the final preliminary draft, I can't remember that term——

Mr. GOODWIN. How about the unexpurgated?

Mr. HAYS. That is a good word.

Mr. DODD. May I ask that that be read.

Mr. HAYS. I would say that this report would seem to indicate that and then it was changed and they decided not to go quite so heavily. That is what I meant.

Mr. DODD. I don't think that that is exactly what you have said, sir.

Mr. HAYS. The record will show.

Mr. DODD. In any event, I would like to go on record as emphatically as possible that there has never entered into this work to my knowledge a desire to damn the foundations, and thereby get in a position such as Mr. Hays mentioned, namely, "Do we dare go this far at this time?" This investigation has been carried on in a manner which permitted the facts to tell their own story, and I am certain that as these hearings go forward that is the way in which it will be done. Nothing that I have had anything to do with has ever lost sight of that one purpose, to actually permit the facts to tell their story.

The CHAIRMAN. Certainly, so far as the chairman has had anything to say, with you or the other members of the staff, he has certainly indicated that he wanted that course to be followed. And, as chairman, I want to say that I have not observed any other disposition on the part of Mr. Dodd, or Mr. Wormser, or Mr. Koch, or Miss Casey, Mr. McNiece, or any other member of the staff to do otherwise.

Do you have some further questions?

Mr. HAYS. I sure do.

Miss CASEY. Could I make one statement further, and that is Mr. Hays asked this of Mr. Dodd and he might want to ask it of me. No one has ever attempted to influence my opinions, or the way in which I brought out the facts on any of the foundations that I worked on, and no one attempted to gear my thinking in any respect at all.

The CHAIRMAN. However, it is not at all illogical to me to learn that members of the staff, especially as important members of the staff as we have here, might have different views, at least in a tentative way, that would ultimately need to be harmonized and brought together among themselves. There is nothing unusual about that that I can see at all, if such should happen to be the case. I cannot imagine that group of men and women starting out with exactly the same views expressed in the same language.

TESTIMONY OF NORMAN DODD, RESEARCH DIRECTOR, SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS—Resumed

Mr. HAYS. Do you consider the New York Times to be a rather fair and impartial newspaper?

Mr. DODD. May I answer that to give my opinion or judgment?

Mr. HAYS. I want your opinion, and I have my opinion, and Mr. Reece has his.

Do you consider that to be a fair and impartial newspaper?

Mr. DODD. My own opinion of it, Mr. Hays, is no.

Mr. HAYS. In the light of the editorial they wrote, I suppose that you wouldn't be consistent if you didn't say that.

Mr. DODD. Mr. Hays, may I remark that I have not read the editorial?

Mr. HAYS. Let me read a sentence of it to you, and see if you think so, and may I say that I have gotten several dozen letters which drew the same conclusions from your statement: The New York Times on May 13 says:

> What is alarming about Mr. Dodd's opening statement is that it indicates a belief that intellectual advancement, if any, must conform to a rigid pattern of those set in the 18th century.

And you know something, independently I arrived at just the same conclusion from reading your statement, because I didn't see this editorial until this morning. I have been questioning you trying to bring that out.

The CHAIRMAN. You don't reach the same conclusion yourself, did you, Mr. Dodd?

Mr. DODD. No, sir, I did not, Mr. Chairman, and I don't know where it says that in the statement.

Mr. HAYS. Well, do you recall having a conversation with me back in November, at Bethesda Naval Hospital?

Mr. DODD. Very definitely, Mr. Hays.

Mr. HAYS. Now, perhaps fortunately for both of us, I will tell you right now, there is no transcript of that conversation available, and we will have to rely upon our memories. But do you recall telling me generally that you believed there had been some sort of—and I may be using the wrong word when I say plot or arrangement—among all of these foundations to change the whole concept of the social sciences?

Mr. DODD. I remember talking to you about that, that that is what the facts would ultimately disclose, but it is not between the foundations.

Mr. HAYS. But you told me back in November that that is what the facts——

Mr. DODD. That is what the story would unfold, probably.

Mr. HAYS. That there is some kind of a big plot?

Mr. DODD. Not a plot.

Mr. HAYS. What do you want to call it? Let us get a terminology there.

Mr. DODD. It is a happening.

Mr HAYS. Well, now, there is a good deal of difference, Mr. Dodd, isn't there between a happening, and something that is brought about deliberately?

Mr. DODD. Very definitely, sir and I am one of those who strongly advocates and takes the stand that this has not been brought about deliberately by the foundations.

Mr. HAYS. It is just sort of an accidental thing?

Mr. DODD. I don't know as you could call it accidental; it is a development. But I do not feel that it has been brought about deliberately by foundations.

Mr. HAYS. Do you think it is bad?

Mr. DODD. I have attempted to be objective, and I don't think of it in terms of bad or good, and I think it is something we should know about.

Mr. HAYS. Well, I don't think that there are any of us here who wouldn't know that the concept of the social sciences has changed even in my generation.

Mr. DODD. Yes; but I don't think it is a question of whether it is good or bad; I think we should know that it changed.

Mr. HAYS. Well, we don't need a $115,000 investigation to know that, and you can find that out. Most anybody on the street could tell you that; is that right?

Mr. DODD. But this is in relation, as I understand it, to a resolution which asks 5 Members of Congress to make 5 determinations.

Mr. HAYS. The way we are going, we may wind up with five determinations; I don't know.

The CHAIRMAN. Will you permit an interjection? I was going to say, Mr. Dodd, after he had his conferences with you at the naval hospital, expressed to me great satisfaction with the conference, and reported to me something to the effect that if he followed the factual line of presentation which he discussed with you, that you hoped he wouldn't be blocked by the majority members of the committee, or impeded by the majority members of the committee in the proceeding. He was very much pleased.

Mr. HAYS. I was too weak to argue with him much then. But I want to say this, for the benefit of counsel, and Mr. Dodd: I like Mr. Dodd as an individual. He and I don't see eye to eye on a great many, shall we say, concepts about social sciences, but I believe Mr. Dodd is sincere in what he thinks he believes, as I am, and perhaps in the process that he will educate me or I will educate him; I don't know. But I want to make that perfectly clear. In any questions that I may ask you, Mr. Dodd, they are not asked in a spirit of animosity at all, and I am trying to get some answers that we can hang something onto here before we go any further.

Mr. DODD. I feel that that is the spirit in which they are being asked, Mr. Hays.

Mr. HAYS. But the only reason I ask you about that conversation—and, of course, you recall, it lasted for some little time, and we talked about many things, but I was disturbed then as I am still disturbed in the light of what has transpired so far—that the impression at least is getting abroad that we think that this committee may come to the conclusion that change is bad, per se. Now, if we are going to accept the premise here that there has been a lot of change, and we will bring the facts out as they are, and then let the public decide whether it is good or bad, that is one thing, but if this committee is going to come to the conclusion or try to arrive at a conclusion about what is good or bad in education, I think that perhaps we are a little bit out of our field, and we have strayed pretty far.

Mr. GOODWIN. Will you yield there?

Mr. Dodd, with reference to something in between Mr. Hays' plot and your——

Mr. HAYS. Don't call it my plot.

Mr. GOODWIN. Mr. Hays' reference to a plot, and your designation of a happening, would it help any if the suggestion were made that what you had in mind was a trend or a tendency?

Mr. DODD. It is a very noticeable trend, Mr. Goodwin, and it involves the coordinated activity of a variety of seemingly separate institutions. What to call it, and what name to give it, I don't know. I think we will just have to wait until the facts appear, and allow the committee to characterize it for itself.

But I have been guided all along here by the fact that nothing that this staff did, or nothing that the staff plus counsel attempted to do should be other than that which would make it helpful or help the committee to discharge its obligations under that resolution. The guiding factor behind that was an assembly of the facts as they fell.

Now, Mr. Hays is making reference to the fact that I had ideas on this subject, seemingly, prior to my assumption of my duties. It is very hard to have been a student of these changes and these trends for 25 years and not to have some knowledge of it. It was out of that knowledge that I was able to give Mr. Hays assurance the day we first

met, that this investigation could be carried out in terms of trends, in terms of practices, in terms of events, and in terms of political action, and in terms of historic changes, and not have to be carried out in terms of personalities or general opinions.

Mr. HAYS. Mr. Dodd, in the final draft which you made available to the press and the committee of your first day's statement, among the criticisms that you directed at the Cox committee was this, and we have been over it before:

Foundations were not asked why they did not support projects of a pro-American type.

Now, I am going to read you a short sentence, and ask you if you ever heard this before:

The significance of this was bound to be missed unless the determination of foundations to break with tradition had been previously identified.

Mr. DODD. Yes, sir, that is in the first draft.

Mr. HAYS. But not in the second draft?

Mr. DODD. That is right, sir.

Mr. HAYS. Why was that taken out?

Mr. DODD. Well, it was deemed by counsel to be too conclusive.

Mr. HAYS. That is a good anwser.

Mr. GOODWIN. It seems also to have been a very good determination.

Mr. HAYS. What do you mean, "It is a good determination"? Is that the determination of foundations to break with tradition or the determination to take this out?

Mr. GOODWIN. I think the substance as appeared in the final draft is certainly nearer to what I think ought to be a statement to come from this staff than what appeared or what you say appeared in the other draft that you have there.

Mr. HAYS. Let me say this——

Mr. GOODWIN. It was the result of some careful thinking on somebody's part.

Mr. HAYS. If that is true, then I am very happy, but I am wondering if it was a result of the fact that they have arrived at this conclusion, but didn't want the public to know it just yet.

The CHAIRMAN. The discussion, as I recall, which the members of the staff had with the members of the committee as a whole, as well as the chairman individually, indicated very clearly that they were not stating conclusions, and I am sure and I can very well understand, in a preliminary draft some might use a word that after reflection or after another member of the staff who had not been quite so closely associated with the writing itself, would readily recognize it as being too conclusive or too strong a language, which would result after a conference in a modification of language.

That is the way good results are arrived at. And again I just feel that I want to say that I feel the staff went about this in a very satisfactory way to get the kind of presentation which the committee was interested in having.

Mr. GOODWIN. I am sure, Mr. Chairman, the gentleman from Ohio will expect me to be a little jealous of the Cox committee because I happened to be a member of that committee.

Mr. HAYS. Let me say to you, Mr. Goodwin, right here, to get the record straight, that I think the Cox committee did a good and adequate job, and I think that the Congressional Record will show

that I said on the day this resolution was being debated that I felt the Cox committee had done the job and it was unnecessary to rework the ground. So, let me compliment you, and I hope this committee will come up with as good a one.

The CHAIRMAN. As a member of the Cox committee, I am very much gratified.

Mr. HAYS. As I recall it, you were a little critical of the Cox committee.

Mr. GOODWIN. I compliment Mr. Hays for coming along with me.

Mr. HAYS. I hope the investigation that we are conducting will have as salutory and final effects as the Cox committee did.

The CHAIRMAN. You may proceed.

Mr. HAYS. Mr. Dodd, in the original speech on the floor last year, which is now part of the record of this committee, there were quite a number of pages devoted to the Ford Foundation. There is one whole series of statements under a subtitle called, "Subversive and Pro-Communist, and Pro-Socialist Propaganda Activities of the Ford Foundation." Have you found any evidence of such activity?

Mr. DODD. That will come forward, Mr. Hays, if I may say so, and that will be brought out in the formal testimony here in the hearings which is about to consume one or more hearings in its own right. I would not like to anticipate that at this time.

The CHAIRMAN. I hope, Mr. Hays, that you won't hold Mr. Dodd responsible for my speech.

Mr. HAYS. Oh, no, as a matter of fact, after discussing it, I won't even hold you responsible.

Mr. DODD. May I mention, Mr. Hays, that the strict definition that we have been guided by as far as the word "subversive" is concerned is quite different than that used in the excerpt that you have mentioned.

The CHAIRMAN. What is your definition, or would you mind restating your definition?

Mr. DODD. We used the one, Mr. Chairman, that Brookings arrived at after having been requested to study this subject. I believe it was for the House Un-American Activities Committee. That was: That which was action designed to alter either the principles or the form of the United States Government by other than constitutional means, was subversive.

Mr. HAYS. In other words, then, we wouldn't call social security and bank insurance subversive under that definition would we?

Mr. DODD. I wouldn't think so.

Mr. HAYS. I wouldn't think so either.

Mr. Dodd, do you know anybody, and I am sorry, I don't at the moment have the notes I made on it, and have the man's first name, but I think you will recognize a man by the name of Conrad from Chicago?

Mr. DODD. Yes, I do, sir.

Mr. HAYS. What is his first name?

Mr. DODD. Arthur.

Mr. HAYS. That is right; I thought it was Arthur. Has he been in touch with the staff at all during your preliminary work?

Mr. DODD. He was at the first day's hearings, and I met him, I only met him once during the time that I have been here.

Mr. HAYS. He hasn't offered any advice or information to the staff, has he?

Mr. DODD. No, sir.

Mr. HAYS. Mr. Dodd, I have some more questions, but the Chairman has suggested that you have a witness here who wants to be heard today, or tomorrow, and since it will give me more time to get some of these notes I have in form, if it is satisfactory then we will excuse you, and call you back sometime subsequently in the hearings.

Mr. DODD. All right, Mr. Hays.

The CHAIRMAN. Is that satisfactory?

Mr. GOODWIN. Yes, sir.

The CHAIRMAN. Who is the other witness?

Mr. WORMSER. Professor Briggs, will you take the stand, please?

The CHAIRMAN. Mr. Briggs, will you be sworn. Do you solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Dr. BRIGGS. I do.

TESTIMONY OF DR. THOMAS HENRY BRIGGS, MEREDITH, N. H.

Mr. WORMSER. Will you state your name and address for the record?

Dr. BRIGGS. My name is Thomas H. Briggs, and my legal residence is Meredith, N. H.

Mr. WORMSER. Professor Briggs, to save you the effort, may I identify you by reading part of your record, and if I make a mistake, please correct me. You have the degrees of doctor of literature, and doctor of philosophy, and on January of this year, received the honorary degree of doctor of human letters from Columbia University. You have been a teacher in various secondary schools, and later in Eastern Illinois State Normal School where you were professor of English. Before that you were professor at Stetson University. You were a professor at Teachers College at Columbia from 1912 or at least you were on the faculty from 1912 and you became a professor there in education in 1920, and held that position until 1942. You have been emeritus since 1942, is that correct?

Dr. BRIGGS. That is correct.

Mr. WORMSER. You have been on quite a multitude of commissions, I notice, consumer education study, of the National Association of Secondary School Principals, and you were a director, I believe, of that organization for many years. You were on the commission on the reorganization of secondary education, the commission on teaching science and industrial subjects in war emergency, the syllabus committee on junior high schools in the State of New York, on the reviewing committee of the National Education Association, on the National Committee on Research in Secondary Education, on the Teachers College Faculty Committee, and on the committee on orientation in secondary education of the NEA, and on the World Congress on Education for Democracy at Teachers College, and you were chairman of that group, and on faculty advisory committee to the dean at Teachers College, and you were chairman of that group.

You are the author of numerous books, Formal Grammar as a Discipline, and the Junior High School, Curriculum Problems, The Great Investment, Secondary Education, Improving Instruction, Pragmatism and Pedagogy, The Meaning of Democracy, and you have contributed to numerous publications.

Dr. BRIGGS. Yes.

The CHAIRMAN. Do you have a formal statement that you wish to first present, Professor Briggs?

Dr. BRIGGS. I do, Mr. Chairman.

The CHAIRMAN. You may proceed.

Mr. HAYS. Do we have copies of this statement, sir, so that we can annotate it and make notes of it as we go along, or do we have to pick it out of the air.

Mr. WORMSER. I have only one copy which I am perfectly willing to let you have before you if you wish it.

Mr. HAYS. Mr. Wormser, I want to be very patient about this, but in case I haven't I would like to make it very clear that when you are bringing in witnesses to set up your case—and I assume they would be called committee witnesses, since they have been secured by the staff, and you have invited them here—it seems only fair that you should get the statements ready so that the committee can have a copy to follow along, as the witness reads it in case we would like to make a note. Now, it is going to be pretty difficult to try to write down what he says and then write down your question, if you have one, afterward, it is just not in line with committee procedure around here.

Mr. WORMSER. Well, of course, the statement would be——

Mr. HAYS. You have a copy but we don't. I don't want to take unfair advantage of Mr. Goodwin here, and I have already done it once today.

The CHAIRMAN. It will be here for reference.

Mr. GOODWIN. We can take care of that.

Mr. WORMSER. I would like to say, Mr. Chairman, that Professor Briggs' testimony is somewhat out of order in this sense, that I would have preferred to call him later, but he is retired and he is leaving for New Hampshire in a few days, and I took the liberty therefore of calling him today.

The CHAIRMAN. We will receive his testimony.

Mr. HAYS. Suppose we let him read it in, and then defer questioning until we get a copy of the hearings tomorrow so we can have a chance to look it over and see what he said.

Dr. BRIGGS. It is my fault. I didn't finish this until Sunday.

Mr. HAYS. I don't think it is your fault, sir, and I think the committee should have forewarned you and helped you have the copies ready.

Mr. WORMSER. We couldn't, Mr. Hays, if you will pardon me, because I didn't want to bring Professor Briggs down from New Hampshire and he is leaving on the 23d.

The CHAIRMAN. The chairman might state, when it is feasible and convenient, we will ask Mr. Wormser to have the statements available in advance to the members of the committee, or at least during the hearings, but in some cases it is not and I am sure when it is feasible and convenient that he will do so. It has been my experience in the past on committees that it was not unusual for a witness not to have statements available, for members of the committee, although I will agree with you, it is a convenience to have the statements.

Mr. HAYS. It has been customary in the committees I have been on.

The CHAIRMAN. You may proceed.

Dr. BRIGGS. There are now in the United States several thousand foundations, most, if not all of them, chartered by the Federal Government or by individual States and freed from obligation to pay taxes on their income. The purposes for which they were established are variously stated, but in general the establishment is said to be a—

recognition of the obligation involved in stewardship of surplus wealth, abetted by a reverent faith in man and his possibilities for progress.

But whatever the stated purpose or purposes, the public has a deep concern and an actual responsibility to see that the activities of each and every foundation, whether its resources are large or small, not only does not harm but also contributes to a maximum degree possible to the welfare of the Nation. This right and this responsibility are derived from the fact that the public has chartered the foundations and also that by remission of taxes it is furnishing a large part of the available revenue. In the case of the Ford Foundation, which has an annual income in excess of $30 million, the public contributes more than $27 million, or $9 to every $1 that comes from the original donor.

In addition to the right and the responsibility of the public to insure that foundation moneys are spent for the maximum good of society in general, the public is concerned that no chartered foundation promote a program which in any way and to any extent militates against what society has decided is for its own good. To ascertain if foundations have either intentionally or because of poor judgment contributed to the weakening of the public welfare this committee, as I understand it, was authorized by the Congress.

I should like to insist at this point that the committee should be equally concerned to consider whether or not any foundation is spending its income wastefully or on projects that promise benefit to only a favored section of the country or to arbitrarily favored individuals.

Two principles that should govern all foundation appropriations are, first, that each supported project should promise to result not only in good but also in the maximum possible good; and, second, that each supported project should promise to benefit, either directly or indirectly, the Nation as a whole. Since, as already noted, a large part of the income of every foundation is contributed by the general public through the remission of taxes, these principles are incontrovertible.

My competence to testify before this committee is based largely on my knowledge of the Fund for the Advancement of Education, a subsidary of the Ford Foundation. This fund was established on recommendation of a committee of which the late Commissioner of Education of the State of New York, Francis T. Spaulding, was chairman. Announcement of the establishment of the fund was greeted with enthusiastic approbation by the entire educational profession, the members of which saw in it great potentialities for the betterment of public schools. The expectations of the profession were raised by the announcement of the membership of the board of directors, each one a citizen of the highest reputation for integrity and sound judgment.

But unfortunately these hopes have been in large measure disappointed by the selection of the administrators and the staff of the fund and by much of the program that they have developed. Not a single member of the staff, from the president down to the lowliest

employee, has had any experience, certainly none in recent years, that would give understanding of the problems that are met daily by the teachers and administrators of our schools. It is true that they have from time to time called in for counsel experienced educators of their own choosing, but there is little evidence that they have been materially influenced by the advice that was proffered. As one prominent educator who was invited to give advice reported, "any suggestions for changes in the project (proposed by the fund) were glossed over without discussion." As a former member of a so-called advisory committee I testify that at no time did the administration of the fund seek from it any advice on principles of operation nor did it hospitably receive or act in accordance with such advice as was volunteered.

Of course, one can always secure acceptable advice by the selection of advisers, and equally, of course, advice, however wise, can be ignored or interpreted as favoring a policy already determined upon.

There are educators who holding to a philosophy to that generally accepted will give advice that is wanted, and unfortunately there are individuals who can be prevailed on by expectation of grants of money to cooperate in promoting projects that have no general professional approval.

Because of the failure of the fund to clarify the functions of the so-called advisory committee, an able body that was given far more credit by the administration than it was allowed to earn, or to use it in any effective way, in March of this year I submitted my resignation in a letter that was later published in School and Society.

Although this journal has only a modest circulation, the number of commendations that I have received, both orally and in letters from all parts of the country, have been surprising and gratifying. It may be asserted that I am disgruntled because policies and projects which I favored were not approved by the fund. Whether or not I am disgruntled is not important. What is important for the committee—and, for that matter, for the public at large—to consider is the validity of the criticism that is leveled against the fund as administered.

Especially disturbing in a large number of the responses to my letter of resignation was the fear, often expressed and always implied, of making criticisms of the fund lest they prejudice the chances of the institution represented by the critic or of some project favored by him of getting financial aid from the fund at some future time.

It is tragic in a high degree that men who have won confidence and position in the educational world should be intimidated from expressing criticism of a foundation whose administrators and policies they do not respect.

I am not inclined to criticize severely the board of directors of the fund, for they are busy with their own affairs and naturally are inclined to put trust in their elected administrative officers, all of whom were directly or indirectly nominated by a formerly influential officer of the Ford Foundation who is notoriously critical—I may even say contemptuous—of the professional education of teachers.

These administrative officers doubtless present to the board, as they do to the public, a program so general as to get approval and yet so indefinite as to permit activities which in the judgment of most competent critics are either wasteful or harmful to the education program that has been approved by the public.

Uninformed laymen are likely to accept with proud endorsement, for instance, a proposal to raise the standard of teachers, without being concerned to consider critically the projects proposed to achieve that desirable goal as related to a philosophy of education or as contrasted with other possible and perhaps more practicable means.

I charge that the present officers of the Fund for the Advancement of Education have arrogated to themselves an assumption of omniscience, which responsibility for distributing millions of donated dollars does not automatically bestow, nor does it bestow a becoming humility and respect for the judgment of others.

Presidents Jessup and Keppel and Dr. Abraham Flexner have been honest enough to say that the great foundations which they represented made mistakes. But the officers of the fund under discussion have as yet admitted no such frailty. Whenever foundation officers, subordinate as well as chief, confuse position with ability and power with wisdom, losing the humility that would keep ears and mind hospitably open to what others think, the welfare of the general public is endangered.

It can hardly be wondered at that the officers of a foundation steadily tend, as Dr. Keppel once said, toward "an illusion of omniscience or omnipotence." Even a chauffeur feels that the powerful engine in the car that he is hired to drive increases his importance, is in a sense his own personal power.

The fund officers have either made grants to any of the professional organizations of teachers or of school administrators, nor has it even sought their counsel. But it is obvious, or it should be obvious, that no proposed program that affects education, however heavily financed by a foundation, can be successful unless it is understood and approved by those who will be called on to interpret and to administer it. The officers of the fund may feel themselves superior in wisdom and foresight to teachers and administrators, but the fact remains that these people are employed by the public and have been entrusted with the responsibility for carrying on an approved program of educating the young people of the Nation.

All thinking about education should start with an understanding that it is not primarily a benevolence but, rather, a long-term investment by the public to make each community a better place in which to live and a better place in which to make a living. Like stockholders in any other enterprise, the public has a right to determine what it wishes the product to be. The principle that the public should decide what it wants in order to promote its own welfare and happiness is unquestionably sound. An assumption that the public does not know what is for its own good is simply contrary to the fundamental principles of democracy.

Having decided what it wants its schools to produce, the public leaves, or should leave, to management the selection of employees and decisions about materials and methods to be used. No more than a stockholder of General Motors, General Electric, or General Mills does it have a right to go to employees and tell them how to do their job.

This the officers of the Fund for the Advancement of Education are assuming to do. But the public does have a right and an obligation, which it seldom fully satisfies, to require an audited report of the success of the management that it employs. If the product is not

satisfactory, the public must decide whether to modify its demands as to objectives, to employ new management, or to make possible the procurement of better operatives or the purchase of better materials with which they can work.

All this being understood, we can assert without fear of successful contradiction that any attempt by outside agencies, however heavily they may be financed and however supported by eminent individuals, to influence school administrators and teachers to seek other objectives than those which have public approval or to use methods and materials not directed by responsible management is an impudence not to be tolerated. Though cloaked with declared benevolence, it cannot hide the arrogance underneath.

This argument with its conclusions is easily seen to be sound when applied to military or industrial organization and administration. It ought to be easily apparent as well when applied to public education.

It would be manifestly absurd to assert that all of the activities of any foundation have been bad in intent or in effect. As a matter of fact, the activities of all but a minority of the foundations of which I know anything have been both benevolent and beneficial to the public at large. It is only when a foundation uses its resources, which in large part you and I made available through waiving their payment of income taxes, to propagandize for something that the public does not recognize as for its best interest, that there is reason for concern, alarm, and perhaps control.

It is admitted that in this country an individual is free to argue for or to spend his own money to popularize any theory or any proposed change that he approves, so long as it does not violate the laws of the land. But that is very different from authorizing or condoning the use of our money to promote what we do not approve.

I should like to say at this point that if a fraction of the money and effort that has been spent recently to detect and to eradicate the advocacy of communism had been spent to inculcate in youth an understanding of the American way of life there would now be no danger from communism or from any other alien philosophy.

It would be a great contribution to the promotion of the welfare of our Nation if agencies of the public were to devote themselves to a constructive campaign to educate our young people to enthusiastic devotion to what we know is the best way of life possible in this modern world. Cultivation of a good crop is far more sensible and economical in terms of ultimate results than neglect of cultivation for the purpose of eradicating a few weeds.

Representing, as I think I do, the sentiment of the vast majority of educators of the country, I am deeply concerned that a major part of the program of the Fund for the Advancement of Education deprecates the professional education of teachers and of school administrators.

It apparently is assuming that a good general education is sufficient to insure effective professional work. Such a belief underlay a program which proved unsatisfactory not only in England, Germany, France, and other civilized countries, but also during earlier days in the United States.

Consequently, realizing the necessity of professional education, we have developed during the past two generations a program which, approved by legislation and by financial support, has resulted in a

system of schools unparalleled elsewhere in the history of the world. Whatever their shortcomings, our schools enroll a larger percentage of children and youth, retain them longer, present courses of study more continuously adapted to the life of today, and use better methods developed by science as well as by common sense than any other schools have ever done before.

There can be no sound argument against an assertion that teachers need more liberal education than they now in general have. But we are getting what we are willing to pay for. If we demand teachers who have a broader background and more cultural education, we must pay enough to justify young people in spending the necessary time and money to get it.

This, as is well known, we are not now doing. The salaries of teachers do not compare favorably with the wages of workers in fields that require little education and even less special training. During the renaissance one Italian city devoted half of its income to education. In the United States today we devote only a little more than 2 percent, with 1 State spending as little as 1.75 percent. If we want teachers with a larger amount of general education, we simply shall have to pay salaries that will justify young people in making the necessary investment in themselves to qualify to satisfy our demands.

The desired increase in general education of teachers will not result from the projects, costly as they are, of the Fund for the Advancement of Education. They may improve a small fraction of teachers, but they are unlikely to have any widespread national effect.

One of its projects finances for 200 or 300 high-school teachers annual fellowships that permit advanced cultural studies. At the present rate the fund would require 750 years and an expenditure of $1,200 million to give such advantages to all secondary-school teachers at present in service, and even at that, because of the turnover of staffs, it would never catch up. The officers of the fund have stated that they hope their project would stimulate local school boards to finance similar leaves for study by other teachers.

But after 3 years of what the fund erroneously calls "a great experiment" there is no evidence that the hoped-for result is in sight. Nor, according to reports from a number of schools from which the favored teachers were selected, has the expenditure of several million dollars on the project produced any material improvement in education or in the increased ambition of other teachers.

This is but one of several expensive projects that the fund has financed for a purpose praiseworthy in itself but wastefully unlikely to have any significant results on education throughout the country. The relatively few fortunate teachers probably profited from their year of study, but it was unrealistic to expect that their experience would materially affect all, or any considerable part, of the schools of the Nation.

There is no time to comment here on several other projects financed by the fund. It is sufficient to assert that though some good may come out of them they are for the most part propagandistic of the idea that professional education is of far less importance than the public is convinced that it is and also of the idea that secondary education is important only for naturally gifted youth.

Moreover, these projects violate the principle that foundation funds should be expended economically with a reasonable expectation of beneficent results for the whole Nation.

It cannot be successfully denied that schoolteachers and administrators need professional training, just as doctors, dentists, and ministers of the Gospel do. The education of our children cannot safely be entrusted to untrained teachers any more than their health and moral development can safely be entrusted to untrained physicians and ministers.

How much professional education and of what kinds is needed we are trying by experiment and by experience to ascertain. It may be that in the rapid development of professional-education programs there are now some wasteful courses and some poor instruction, which may also be found in liberal-arts colleges, and that there is an overemphasis on theory and on techniques. But the improvement that is needed and the desired balancing of general and professional education will not come about by a condemnation of the whole program and an attempt so to discredit and subordinate it that it becomes insufficient and ineffective.

What is needed, and what as a member of the Advisory Committee I recommended with what seemed to be the approval of my fellow members, is an objective study of the whole program of professional education of schoolteachers and administrators, a study conducted by an impartial and able investigator that will show up any existing faults, including an overemphasis on pedagogy, and at the same time recognize and record practices that are sound in theory and of proved effectiveness.

Such an objective study was made of medical education some years ago by Dr. Abraham Flexner with an appropriation from the Carnegie Foundation for the Advancement of Teaching.

Flexner's objective and sensible report caused a revolutionary improvement in medical education, a revolution so sound that it has been universally approved by physicians and by the public alike. But concerning the professional education of school people the officers of the fund begin their propaganda against current practices by an assumption that they know what the preparation should be with such an assumption, however unsound, would not be disturbing if these officers did not have at their disposal millions of money, yours and mine, as well as Mr. Ford's to promote their theories. To whatever extent successful their propaganda, disguised under declared benevolence, the effect is likely to be decreasing public confidence and perhaps decreased public support for what is desirable and necessary.

In this extended statement I am not attacking the phenomenon of foundations that are established with benevolent intent. They have great potentialities for benefiting mankind, and I say without reserve that on the whole the major foundations deserve and have won by their activities the respect, the confidence, and the gratitude of informed people.

It has been stated that, unlike colleges and universities, foundations have no alumni to defend them. But they do have influential people as members of their boards, and these members have powerful friends, some of whom are more inclined to be partisanly defensive than objectively critical. Moreover, there are also thousands who,

hopeful of becoming beneficiaries of future grants, either conceal their criticisms or else give expression to a defense that may not be wholly sincere.

Asking nothing for myself and at my age having nothing to fear by way of reprisal, such professional reputation as I have being firmly established, I make my criticisms of the foundation that I know best as a matter of duty. To be constructive, I propose the following statement of functions which seem proper for any foundation:

1. To seek the advice of official or generally recognized representatives of the public in formulating policies or on the soundness, feasibility, relative importance, and timeliness of important proposed projects. The advice received, along with the recommendations and supporting reasons of the administrative officers, should be considered by the board of trustees in making final decision as to appropriations.

This stated function does not suggest that the administrative officers should refrain from seeking counsel from other individuals of their own choosing. But it emphasizes the wisdom and the responsibility not only of getting counsel from representatives of the public but also of transmitting their advice to the ultimate authority of the foundation.

The responsibility of spending the resources of a foundation—which to repeat, are contributed largely by the public—are too great to be assumed by any individuals without the advice and cooperative planning of the professional organizations that will be responsible for the success of any project that is undertaken.

2. To conduct—or, better still, to finance—scientific research that will reveal facts needed by the public or its representatives in specialized fields in order that it can proceed wisely in planning action.

It should go without saying that a foundation should never—

attempt to influence findings and conclusions of research and investigations either through designation of personnel or in any other way.

This principle was stated some years ago by the Laura Spellman Rockefeller Foundation as follows:

To support scientific research on social, economic, and governmental questions when responsible educational or scientific institutions initiate the request, sponsor the research, or assume responsibility for the selection and competency of the staff and the scientific spirit of the investigations.

3. To support projects having promise of making the widest possible contribution to the whole population.

This rules out appropriations for projects that are local in character or promotive of the interests of favored individuals.

4. To popularize objectively ascertained facts in order that being widely known they will influence thinking and action.

This stated function implies that all pertinent and important facts, not merely those that are favorable to a favored side of disputed issues, should be popularized.

5. "To make possible under the auspices of scientific" or professional organizations truly representative of the public "demonstrations which may serve to test, to illustrate, or to lead to more general adoption of measures * * * which have been devised * * * and recommended by responsible agencies."

6. To support the beginnings of activities which leaders of the public especially concerned approve but for which financial support has not been made available.

This implies that foundation support should be gradually withdrawn as the public is convinced of the wisdom of assuming responsibility.

7. To aid institutions and other reputable organizations that seek to carry out the same or other similar functions.

In summary, I charge:

1. That the fund for the advancement of education is improperly manned with a staff inexperienced in public elementary and secondary schools, ignorant at firsthand of the problems that daily confront teachers and school administrators, and out of sympathy with the democratic ideal of giving an appropriate education to all the children of all of the people;

2. That the fund is using its great resources, mostly contributed by the public by the remission of taxes, to deprecate a program of professional education of teachers and school administrators that has been approved by the public with legislation and appropriations;

3. That the fund has ignored the professional organizations of teachers and school administrators, neither seeking their advice and cooperation nor making appropriation to support projects proposed by them;

4. That the fund has made grants to favored localities and individuals for projects that are not likely to have any wide or important influence;

5. That the fund has given no evidence of its realization of its obligation as a public trust to promote the general good of the entire Nation;

6. That the fund has in some cases been wastefully prodigal in making grants beyond the importance of the projects; and

7. That the fund either has no balanced program of correlated constructive policies, or else it has failed to make them public.

The CHAIRMAN. Dr. Briggs, we appreciate a man with your background of experience taking time to make this statement to the committee.

There may be some questions. We have a few minutes remaining, if it is agreeable to the committee to run for a few minutes after 12, we might dispose of the questions today. If not, we will have to consult Dr. Briggs convenience as to when we might do so.

I have only one question that I had in mind asking. If you will permit, I will get that out of the way, because it is a general one.

In his report to the committee, Mr. Dodd referred to the tendency of foundation trustees to embark upon projects without having made an adequate effort to make certain that in the eyes of the experts such projects could be regarded as being in the public interest. What evidence have you found in your experience of the way in which the public interest was taken into consideration before decisions were made in an effort to serve this interest?

Dr. BRIGGS. I am not competent to speak, Mr. Chairman, about the operation of all of the foundations. But as I have said in my statement, there is no evidence that the Ford fund has consulted the representatives of the public. They have consulted only advisers of their own selection.

The CHAIRMAN. That was all.

Mr. GOODWIN. I have only one question, Mr. Chairman.

I preface that a little, perhaps, by a brief observation that my belief is that one chief justification for the use of these collosal sums of money tax exempt is that by the use of that money things may be done for the general good which cannot be done by the expenditure of public funds. Assuming, also, that one thing much to be desired is to forestall Federal aid to eduction, then in order to help out in that line State departments of education certainly should be encouraged to use their funds and funds made available to them to the best possible advantage.

Now, if that is true, then these foundations, using their money for the general purpose of education, would naturally, I would say, be expected to work with State departments of education to the end that public funds available to the State departments might be released for other purposes.

What is your estimate as to what this fund of which you are speaking has been doing along that line? Has there been a spirit of cooperation with State department of education?

Dr. BRIGGS. There has not. There is only one instance in which this fund has made an appropriation that looks to the end that you mentioned and that was an appropriation to the State of New Mexico to finance the high-school education of gifted boys who could otherwise not go to school. But that was not directly and not with the initiation and cooperation of the State department.

On the other hand, the General Education Board some years ago responded to the appeal of the Southern States for help in initiating research department in their State departments of education, which the public was not willing to support at that time. And so the General Education Board appropriated money which was used by the State departments to organize and continue the statistical divisions until the public was convinced of the wisdom of taking them over, which they did.

Does that answer your question?

Mr. GOODWIN. Yes.

Mr. WORMSER. I would like, Mr. Chairman, to ask a few questions.

Mr. HAYS. Just a moment, I have a few questions.

The CHAIRMAN. Since we have asked the questions, perhaps Mr. Hays would like to ask some questions.

Mr. HAYS. Dr. Briggs, are you a member of the NEA?

Dr. BRIGGS. I am.

Mr. HAYS. Do you believe the charge is true that the aim of the NEA is to create a monopoly over United States education?

Dr. BRIGGS. I do not.

Mr. HAYS. Well, that is something, I am glad to have that. That is a charge that was made here on page 20 of Mr. Dodd's statement.

Would you say the charge is true or untrue that the NEA and other educaional agencies with which it cooperates are characterized by one common interest, namely, the planning and control of certain aspects of American life through a combination of the Federal Government and education?

Dr. BRIGGS. I don't know what that means, Mr. Hays.

Mr. HAYS. Neither do I. But I thought perhaps you would, since you are an educator. That is another charge that was made against the NEA. It is that it and other educational agencies with which it cooperates are characterized by one common interest, namely,

the planning and control of certain aspects of American life through a combination of the Federal Government and education.

You do not find any evidence in your tenure in the NEA of any such thing?

Dr. BRIGGS. Not in the slightest. There has been an effort on the part of the National Education Asosciation to get funds from the Congress for the aid of States of low educational standards. If that is what it means, why that is true.

May I just add, so far as I see, there is an extreme lack of coordination between the National Education Association and even its own subordinate associations.

Now I am a member of the National Association of Secondary School Principals, and I have been prominent since its organization, and I was one of the founders of it. I would say that the National Education Association has had practically no influence on the policies and the program of that association.

Mr. HAYS. What you are saying then just tends to be the opposite of the statement I read?

Dr. BRIGGS. If I understand it.

Mr. HAYS. If I understand it, I would agree that it does.

Well, now, there is another charge that I have heard against the NEA, that is that the result of the work of the NEA and other educational organizations with which it has worked over the years—this is the quote:

> Had an educational curriculum designed to indoctrinate the American student from matriculation to the consummation of his education.

In other words, to put that in common-every-day language, as I get it, that is that the NEA has set about to lay out a planned curriculum to indoctrinate these students, from the day they go into school until the day they get out, with their ideas.

Would you say that is a fair charge?

Dr. BRIGGS. Well, I will have to back up to answer that question. Of course, the NEA and all teachers try to indoctrinate their children to tell the truth and to be honest and to be loyal to the American Government, and to learn the meaning of allegiance, and to live up to it. That is indoctrination, and if that is what that means, it is guilty.

If on the other hand, if you mean the statement means that in that the NEA or any of its subordinate organizations has attempted a curriculum to indoctrinate contrary to the generally accepted program of American education, I would deny it absolutely.

Mr. HAYS. All right. In other words, you say they do try to indoctrinate their students with what we are commonly calling Americanism, but you deny absolutely that they try to indoctrinate them with anything that is un-American.

Dr. BRIGGS. I certainly do.

Mr. HAYS. Thank you.

Now, there is another charge made against the NEA, that it tends to criticize strongly anyone who dares to doubt the validity of its conclusions. Do you think that is a fair charge?

Dr. BRIGGS. It doesn't have any conclusions, Mr. Hays.

Mr. HAYS. You know, Dr. Briggs, I think you—I would like to talk further with you, because I have been a member of the NEA, too, and that is just the same thing that I thought about it.

Then there is another charge made that the NEA in cooperation with other educational agencies, and the great foundations, have provided this country with what is tantamount to a national system of education, under the tight control of organizations and persons little known to the American public.

Dr. BRIGGS. Well, if you would ask Dr. Carr about the appropriations that the NEA has got from foundations, I think that you would find that they are practically nil. The NEA has been one organization that has profited very little from appropriations by the foundations.

Mr. HAYS. In other words, you would say that there is nothing to this charge that the foundations and the NEA and other educational agencies have got a sort of a tightly knit superdirectorate that no one knows who they are?

Dr. BRIGGS. Well, you have three units there, the foundations, the NEA, and other organizations. What organizations are included?

Mr. HAYS. That is a question I cannot answer. I am quoting from some of the testimony that has gone on here and I am as much in the dark about it as you are.

Dr. BRIGGS. I certainly am in the dark, because the NEA and the foundations don't cooperate. Whether the NEA cooperates with other agencies or not, no one can say until the other agencies are named.

Mr. HAYS. Now, Dr. Briggs, what was the name of this group again, the advisory committee of the Ford Fund?

Dr. BRIGGS. Yes; the advisory committee of the Ford Fund for the Advancement of Education.

Mr. HAYS. How many members were there of that advisory board?

Dr. BRIGGS. I think there were 9 or 10.

Mr. HAYS. Do you think the other members agree with your conclusions, as you have read them here?

Dr. BRIGGS. Mr. Hays, they are friends of mine, and I would like to be excused from answering that question.

Mr. HAYS. Do you think it would be fair if we asked them to come in and tell us what they think about it?

Dr. BRIGGS. May I cite a paragraph of my statement?

Mr. HAYS. I wish that you would, just because I cannot keep it all in mind.

Dr. BRIGGS. I have said in my statement, which I read, that unfortunately there are people who, through the expectation of grants from funds, are afraid to criticize them.

Mr. HAYS. Do you mean by that statement——

Dr. BRIGGS. I don't mean anything.

Mr. HAYS. You do not want to indict your fellow members?

Dr. BRIGGS. I would also state that there are some very able personnel in that committee, very able people, but it is interesting to note that one has been put in charge of a $2 million project of the Ford Foundation, and it is interesting to note that another one represents the Arkansas project which I don't like.

It is also interesting to note that another one has been employed as an adviser of the Ford Fund. That is a guaranty of 200 days of service during the year. It is also interesting to note that another, fourth member of the committee, was employed for a year as chairman

of one of the committees developing the Ford Fund project, and so on.

Mr. HAYS. You are about the only unemployed one on the committee.

Dr. BRIGGS. May I again cite the paragraph of my statement. It has been said, or it may be said that I am disgruntled because my policies and projects have not been approved. That is not important. What is important is the list of criticisms that are leveled at the Ford fund.

Mr. HAYS. Doctor, I made a little note about that disgruntled thing, and I kind of disagree with you. I think probably that is the first place we might be in serious disagreement.

I think if you are testifying about an organization, whether you are disgruntled with them or not might have some bearing on it.

Mr. WORMSER. Mr. Chairman—this applies to what you say.

Mr. HAYS. Now just a moment, I have some more questions. I am more than slightly interested in this, as I got it from hearing your statement read, and I will admit I do not know anything about this. But one of your indictments seemed to be that this fund thought there was too many professional courses required of teachers and not enough cultural; is that a fair assumption of what you said?

Dr. BRIGGS. Yes.

Mr. HAYS. Would you think it would be more important for a teacher of French to know French or to know the psychology and philosophy of education?

Dr. BRIGGS. He could not teach French without knowing French, of course.

Mr. HAYS. I am afraid that some of the universities are turning out teachers who have a lot of required courses, and I might tell you that I spent about 2 years taking them, and I cannot remember offhand the name of any professor, except one, or anything they said.

Dr. BRIGGS. You did not take my courses.

Mr. HAYS. I am sure that I would have remembered some of yours. But a great many of those so-called courses in professional education to me, as I saw it then, and as I look back on it now, were a complete waste of my time.

Dr. BRIGGS. May I again cite my statement?

Mr. HAYS. Surely.

Dr. BRIGGS. I said it is quite possible that in the rapid development of these professional institutions that there are courses that are wasteful and that there is instruction which is poor. We are trying to find out what is a proper balance between cultural demands for education, and demands for professional education.

I think this objective study that I proposed would take care of that. It would show up the sham, and I admit that there is sham and waste, as you found out, in professional courses, and there is some in liberal arts colleges, too. I judge you went to a liberal arts college, did you not?

Mr. HAYS. I did not want to get the name of it in the record, in any unfavorable light, but it was Ohio State University, and I suppose it is considered a liberal arts college. It has a number of colleges, as you know.

Dr. BRIGGS. Well, you found some courses that were not much good in the liberal arts division, did you not?

Mr. HAYS. Yes, I think so, and I would not want to name them

Dr. BRIGGS. We will not press that any more than you would not press the question about my fellow members on the advisory committee.

But what I am saying is, is that we do not know what the proper balance is, between knowing French and knowing how to teach French. I have known many people who knew their subjects and could not teach, and unfortunately, I have known some people who had some techniques of teaching and did not know their subjects.

Mr. HAYS. Now, I think we are in agreement on that. A lot of people know how to teach but do not know what they are supposed to teach.

Dr. BRIGGS. And other people know what to teach and do not know how to teach.

Mr. HAYS. As I get it, your main indictment then of this organization is that you think, in your opinion, that it stresses too much the cultural to the lack of the professional type of education, is that right?

Dr. BRIGGS. No; they assumed to know that that is the answer, and I do not think anybody knows the answer now. I think that we have got to find out what the proper balance between professional and cultural education is. Just because you have the administration of millions of dollars does not bestow on you the wisdom to make that decision.

Mr. HAYS. You made a statement there, as I made a quick note on it here, that lead me to believe that you were saying that educators are intimidated by the Ford Foundation.

Dr. BRIGGS. I do.

Mr. HAYS. Well, now, to what extent would you say they are? As far as I would know out in my State I would guess that 99.99 percent of educators don't even know that there is such an organization.

Dr. BRIGGS. Oh, yes, they do.

Mr. HAYS. As this subgroup of the Ford Foundation, so they couldn't very well intimidate them?

Dr. BRIGGS. 99.9 percent of them have made application for grants.

Mr. HAYS. I am afraid that that is a bald statement that is open to serious question.

The CHAIRMAN. You are speaking figuratively now?

Dr. BRIGGS. Yes, that is a hyperbole, but MacCauley said you had to speak in hyperbole in order to get the point over. No, Mr. Hays, I wish I had brought with me the file of letters I received since my resignation was published. They came from all over the country. Time after time these men have said, "We feel exactly as you do, but we don't dare say anything because if we do, if we make an application for a grant from the fund, what we say will be prejudiced."

Mr. HAYS. Who are these men, are they college professors, secondary school teachers, or who?

Dr. BRIGGS. Well, within a month, two college presidents have said that to me, and I don't know how many college professors, and superintendents of schools, and high school principals.

Mr. HAYS. Well, of course, within a month I have talked to a few college presidents who say just the opposite, and that this whole investigation is stupid and what should they do with the questionnaire. It is costing them a lot of money and they think it is silly, and that is a matter of opinion.

Dr. BRIGGS. Wait a minute, I am not sure we are talking about the same thing. Have these people that you have talked to been vocal in their criticism of foundations?

Mr. HAYS. No, they haven't.

Dr. BRIGGS. That is the point; that is what I am saying.

Mr. HAYS. That is exactly the point; there are two schools of thought on this.

Dr. BRIGGS. I thought that you thought we were in disagreement. I think we are in agreement that these people who have been entrusted with responsibility in the administering of colleges and universities and school systems, are afraid to express their criticism of the foundations lest they prejudice their chances of their institutions for help.

Mr. HAYS. Well, I think the way to get the story on that is to have them come in and testify as to that and I don't see how we can accept any outsider's opinion, yours or mine, about that.

Dr. BRIGGS. It is immaterial whether you accept it or not. I made the statement on the basis of the letters that I have had, and the statements that have been made to me. I thought that is what you wanted me to do.

Mr. HAYS. That is all.

The CHAIRMAN. There is just one question I wanted to raise which is for you, Mr. Hays. In your earlier questioning, you appeared to be quoting language which I presume will appear in quotes in the record, and with those quotations from the statement which Mr. Dodd made to the committee.

Mr. HAYS. Yes; I can give you the page number.

The CHAIRMAN. Or the preliminary draft.

Mr. HAYS. The first question which the witness answered, was, "Do you believe the charge is true that the aim of the NEA is to create a monopoly over education." That is on page 20. That is the second question. The first question was, "Are you a member of the NEA," which, of course, was not a quotation.

The next question, "Is the charge true or untrue that the NEA and other educational agencies with which it cooperates are characterized by one common interest, namely, the planning and control of certain aspects of American life through a combination of the Federal Government and education," and that is on page 22.

The next question, which I won't take the time to read, comes in Mr. Dodd's statement on page 23, and the next one on page 24, and I don't happen to have noted the page number of the last one, also a quote, but it is there.

The CHAIRMAN. I wondered whether you quoted from the statement he made to the committee.

Mr. WORMSER. Mr. Chairman, Professor Briggs would like to get away today if he possibly can.

Mr. HAYS. Would you have any objection at this point if we recessed for lunch, and we find this out this afternoon?

The CHAIRMAN. Do you have further questions?

Mr. HAYS. I haven't had a chance to read his statement, and I might have. There were several things that occurred to me at the time, but I didn't have the exact language and I didn't want to question him.

Mr. WORMSER. I would waive any further questioning, Mr. Hays, and I would just ask to introduce his letter of resignation to the fund

for the advancement of education. Would you identify it, Professor Briggs?

Dr. BRIGGS. Yes; that is a photostat of it.

Mr. WORMSER. I would like to save him the burden of reading it and may it be copied into the record?

Mr. HAYS. Before I say whether or not I would object to that, I suppose that is the same letter that is in this little magazine, School and Society. Is that essentially the same thing?

Dr. BRIGGS. I think the School and Society editor omitted a little of it in order to get it into his space, but it is practically the same, Mr. Hays.

Mr. HAYS. Now, before we introduce this in, do you have any plans, Mr. Wormser, to call any of these other people who sit on this committee, or did sit on this committee with Dr. Briggs?

Mr. WORMSER. No; I do not, sir.

Mr. HAYS. Well, I think in order to keep these hearings objective, it might be nice if we had 1 or 2 of them to come in, at least 1 of them, and just pick 1 at random.

Dr. BRIGGS. Don't pick one at random.

Mr. HAYS. I want to pick him at random. Now, look, Doctor, I don't want you to pick the one, and I am sure you would try to pick one who would agree with you.

Dr. BRIGGS. I would suggest that——

Mr. HAYS. Can you name one who disagrees with you?

Dr. BRIGGS. Oh, yes.

Mr. HAYS. That is what I would like to hear.

Dr. BRIGGS. Would you like the name?

The CHAIRMAN. Well, now——

Mr. HAYS. I am asking this for my own information.

The CHAIRMAN. I certainly have no objection, but I was thinking about the name of the person, the individual.

Mr. HAYS. I can undoubtedly get the list of people, and I will pick one out.

The CHAIRMAN. I don't want to put someone else's name in the record, in what somebody might construe as an odious position.

Mr. HAYS. Could we have an agreement that we will call in one of these other people?

The CHAIRMAN. So far as I personally am concerned, if it fits in.

Mr. HAYS. We will make it fit in.

Dr. BRIGGS. I can give you the name personally, if you would like.

The CHAIRMAN. But I see no objection to this letter of resignation going into the record and it would occur to me it is pertinent to his testimony.

Mr. HAYS. I may object to it, because you objected to my putting into the record something that I thought was pertinent this morning and I am only trying to keep these hearings objective. Now, if you will agree we are going to call in at least one other member of this committee and get his views, that is one thing, but if we are only going to get one side of it then I will tell you right now, I am going to object.

Dr. BRIGGS. I have said practically everything in the statement that I said in this letter of resignation, and so I think it is immaterial.

The CHAIRMAN. I assumed that you had.

Mr. WORMSER. I would like to bring into the record then, if Professor Briggs will confirm it, that he resigned entirely voluntarily, and he was made a member of this advisory committee of the fund for the advancement of education and served some years, and resigned with a letter of resignation to Dr. Faust, the president. It is dated March 16, 1954.

The CHAIRMAN. Are there any other questions? If not, you are excused, Doctor.

Mr. WORMSER. May we take it for granted that subpenas are continued if a witness is not able to appear today, it will carry over to the next day?

Mr. HAYS. May I have an understanding that the next witness who comes in without a prepared statement and you undertake to question him and get him out of here, all the same morning, there won't be any meeting. If the minority isn't here, there can't be a meeting, and the minority is not going to be here unless we are going to run this thing on an adequate basis so we have a chance to find out what it is all about.

Mr. WORMSER. Do you mean a witness can't testify without a statement?

Mr. HAYS. Let him come back when I have had a chance to look at his statement so I can ask him some questions about it.

Mr. WORMSER. The next witness will not have a prepared statement.

Mr. HAYS. You had better make plans to let us look at his statement and question him later.

The CHAIRMAN. He can be made available for questioning later?

Mr. WORMSER. Yes.

The CHAIRMAN. The committee will meet in this same room tomorrow morning, Wednesday, and Thursday morning we will have to reserve the announcement of the place of the meeting, and we may be able to meet here. If not, we will make the announcement tomorrow. Being a special committee, we are more or less in a difficult situation when it comes to meeting places. We will recess now.

(Whereupon, the committee recessed at 12:30 p. m., to reconvene on Wednesday morning.)

TAX-EXEMPT FOUNDATIONS

WEDNESDAY, MAY 19, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX EXEMPT FOUNDATIONS,
Washington, D. C.

The special subcommittee met at 10 a. m., pursuant to recess, in room 429, House Office Building, Hon. Carroll Reece (chairman of the special subcommittee) presiding.

Present: Representatives Reece, Hays, Goodwin, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; and John Marshall, Jr., chief clerk to the special committee.

The CHAIRMAN. The committee will please come to order.

Who is the next witness, Mr. Wormser?

Mr. WORMSER. Dr. Hobbs, Mr. Chairman.

The CHAIRMAN. Dr. Hobbs, will you please stand and be sworn. Do you solemnly swear the testimony you are about to give in this proceeding shall be the truth, the whole truth, and nothing but the truth, so help you God?

Dr. HOBBS. I do.

Mr. HAYS. Mr. Chairman, just in view of the statement you made on the opening day about all of the witnesses being sworn, I think it would be well that the record show that Dr. Briggs yesterday was not sworn.

The CHAIRMAN. Professor Briggs was sworn and I think the record will so show, or at least it should show.

Mr. HAYS. On discussing it last night, we thought he had not been. We started to swear him and we got off the track.

The CHAIRMAN. I have not looked at the record.

Mr. KOCH. Page 251.

Mr. HAYS. He was sworn.

The CHAIRMAN. Yes; I did swear him in. Thank you very much.

Mr. Wormser, do you wish to make a preliminary statement of any kind?

Mr. WORMSER. Yes; I want to say that Dr. Hobbs will testify chiefly on the nature of social-science research. I think we may take it for granted, and I think the foundations will agree, that social-science research in this country now is financed virtually entirely by the foundations and the United States Government. There is very little privately financed social research.

Dr. Hobbs will analyze some of this research for methods and type and discuss some of the results of the type of research that is used.

STATEMENT OF DR. A. H. HOBBS, ASSISTANT PROFESSOR OF SOCIOLOGY, UNIVERSITY OF PENNSYLVANIA

The CHAIRMAN. As I understand it, Professor Hobbs, you do not have a prepared statement.

Dr. HOBBS. That is correct.

The CHAIRMAN. In view of the fact that you do not have a prepared statement, the committee will be free to propound questions as you go along.

Dr. HOBBS. Yes, sir.

The CHAIRMAN. When a witness has a prepared statement, we ordinarily then defer questioning until the witness has concluded with his prepared statement. But where that is not the case, we feel it is better procedure to be questioned as you go along. You may proceed.

Mr. GOODWIN. Mr. Chairman, might I inquire whether or not the witness is available later in the event that we might feel after we have seen the record that we want to interrogate him concerning the part of his testimony which we had not caught when he gave his testimony?

The CHAIRMAN. I assume he could be made available, could he not?

Mr. WORMSER. I think Dr. Hobbs is prepared to stay tomorrow if we want him. I am sure he would be glad to come back if necessary.

May I ask you first to identify yourself with a short biographical note?

Dr. HOBBS. I took undergraduate work at what was then Penn State College. It is now Penn State University. I took graduate work at the University of Pennsylvania and received a Ph. D. in 1941. I received a Ph. D. in sociology there. I began teaching sociology and social science in 1936 at the University of Pennsylvania, and except for 3 years in the military service, I taught continuously.

Is that sufficient?

Mr. WORMSER. What is your position now?

Dr. HOBBS. I am an assistant professor at the University of Pennsylvania.

Mr. WORMSER. Of sociology?

Dr. HOBBS. That is correct.

Mr. WORMSER. Dr. Hobbs, you have written quite a number of articles and several books. I am interested particularly in your most recent book which is called Social Problems and Scientism. I think you might launch into a discussion of "scientism" giving your explanation of how you use that term.

Dr. HOBBS. All right, sir. There is, or at least there seems to be, and I think most people would agree with this who have been involved in the matter in teaching or studying, there is a good deal of confusion about the term "science." There is a tendency to designate as science a number of things which are not science, or at least there is serious question as to whether they are scientific or not. So I attempted to analyze this problem by going to the books dealing with scientific methods to find out in what way it could be analyzed and interpreted.

By way of background, I would just like to mention a few things which are usually included in scientific investigation.

The method of science is one which has been tremendously successful in solving a variety of types of problems, but, as we all know, it began in fields such as physics and chemistry and astronomy.

Mr. HAYS. Are those what you would term, Doctor, the exact sciences?

Dr. HOBBS. That term is frequently applied to them, although technically there would be some question if you strained the term "exact" even in those areas. Some of them are not exact.

Mr. HAYS. In other words, what you are saying is that there is no such thing as an exact science?

Dr. HOBBS. In absolute terms I think most scientists would agree with that.

This method involves, for one thing, controlled observation. By that is meant that if I express my opinion on something, my belief on how to raise children, you express your opinion, we can debate these opinions back and forth from now until kingdom come, and in no way that will necessarily reach agreement. That, of course, was the situation in philosophy for many centuries. But with the scientific method, they gradually learned to use this technique of controlled observation, a means whereby anybody, no matter what his feelings on the matter, no matter what his beliefs or prejudices, in observing the results, is compelled to agree as to them.

In order to use this technique of controlled observation, which is fundamental in scientific procedure, you have to reduce the things that you are studying to quantitative units—units which are quantitative, units which are not only quantitative, but which are homogeneous, and units which are stable. A quantitative unit is a thing in turn which can be measured in terms of weight, distance, velocity. In science as you know, they have gone a step further and developed instruments, ammeters, speedometers, scales, things of that type, by means of which these units can be measured with a sufficient degree of precision to justify the type of experiment which is at that time being done.

Congressman Hays, that is the general context of exactness or precision in science for the purpose of experiments. The measurements must be exact. But that does not mean exact in the sense of perfectability.

Mr. HAYS. What I am trying to get at is this: Is there any science in which after these experiments the conclusions which are arrived at can be termed "exact"?

Dr. HOBBS. The conclusions can be measured and in terms of the purposes for which the measurements are being made, they can be said to be exact. There will inevitably be some element of error which scientists always attempt to reduce to the least possible terms.

Mr. HAYS. I believe you said that you are now teaching sociology and social science?

Dr. HOBBS. I am teaching sociology; yes, sir.

Mr. HAYS. Is there such a thing as social science?

Dr. HOBBS. In the sense in which the term "science" is applied to the physical sciences, I think it is extremely questionable that the great bulk of the work in sociology, history, political science, could be designated as being scientific. In that sense, I would say very little.

Mr. HAYS. But that is a term that has become quite common, and is used rather generally to bulk all of the sciences dealing with the sociological aspects of civilization, is it not?

Dr. HOBBS. That is correct. The terms "social science" and "political science" and similar terms are very widely used. I think it would

be desirable for one thing, if the public were to understand that the designation "science" in that context is somewhat different than the designation in the context as applied to the usually called physical sciences.

Mr. HAYS. In other words, it was never intended to connotate an exact science.

Dr. HOBBS. Unfortunately, in many of the writings that connotation is not only present but it is emphasized. For example, you will see books on social science—textbooks on sociology—coming out with drawings of calipers on the advertising blurbs, test tubes on the cover, to give the teachers the impression that this is science in the sense that the term is used in physical science. Unfortunately, there is a great deal of that, and it confuses not only the general public but many of the people in the field who are not too familiar with scientific methods themselves.

The CHAIRMAN. You have read the statement which Mr. Dodd made to the committee?

Dr. HOBBS. I have not, sir.

The CHAIRMAN. You are not familiar with it, then?

Dr. HOBBS. I am not, sir.

The CHAIRMAN. He raised the question of some trouble arising from the premature acceptance of the social sciences. You are not ready to comment on that. If you are, I would be interested in having you comment.

Dr. HOBBS. I would, sir. I do intend to comment after I have given this background which I think is essential.

The CHAIRMAN. Very well; you may proceed.

Dr. HOBBS. As for reducing human behavior, particularly the aspects of human behavior which are most significant in the relationships between people and in civilized society, to attempt to reduce those to quantitative units is extremely difficult, and for the most part at the present time impossible.

With human beings there are some things which are quantitative; that is, your bodily temperature could be called a quantitative thing, which in turn can be measured with an instrument, the thermometer. Similarly with your blood pressure, your corpuscle count, the proportion between white and red, the number of hairs on your head, and things like that, can be counted. Sometimes it is pretty easy to count the number of hairs on your head. The other things, though, like the sentiments—patriotism, love, bravery, cowardice, honesty, things of that sort—have never been reduced to quantitative units. There is still a large element of the qualitative in them. That is, if you say you are patriotic, your patriotism cannot be measured in precise units which will be agreed upon by all the observers.

Mr. HAYS. Professor, I think we are agreed on that. Is there any argument on that score?

Dr. HOBBS. The impression is given in many works, and I will cite some of them, that that is not the case. It is a crucial and fundamental point which I want to give by way of background.

Mr. HAYS. You mean you say that you can measure patriotism?

Dr. HOBBS. That is implied.

Mr. HAYS. I was aware that there are people who think you can measure patriotism, but it is always according to their standards.

Dr. HOBBS. Unfortunately, that is the same way with some who call themselves social scientists.

Mr. HAYS. That has been true always.

Dr. HOBBS. Yes, sir.

Mr. HAYS. As long as there have been human beings.

Dr. HOBBS. Yes.

Mr. HAYS. Maybe they did not call it patriotism, but whatever it is.

Dr. HOBBS. Loyalty or whatever you call it. Then the other item, the matter of the stability of the units which are being studied, also, I think, is quite crucial. If you are studying electrons, if you are studying matter, or the behavior of matter, the method of study you employ, the amount of the time you spend on studying it, the attitude which you have while you are making the study, does not affect the object which is under study; that is, if you think electrons are nasty or unpleasant or things like that, that is not going to affect the behavior of electrons. But unfortunately, with human beings again, sometimes the very fact that a study is being made can change their behavior. That is always a possibility which you have to be very consciously aware of. An illustration of that of course would be the Kinsey report. The mere fact that you ask people questions in the rapid fire nonemotional manner which Professor Kinsey says he uses, would put a different aura on sexual behavior than might otherwise be present. It could change your attitude toward sex.

Similarly, if you are studying juvenile delinquents, and if your attitude in the study is that delinquency is caused by their environment, or caused by the fact that the mother was too harsh with the children in their youth, or overwhelmed them with affection, then there is always the possibility—and some investigators contend that this is a fact—the delinquents themselves become convinced that this is the case. They begin to blame their parents, their early environment, and the situation which you have attempted to study has been changed in the very process of making the study.

Mr. HAYS. As I get it, then, you are saying in effect that there are dangers in studying hazards.

Dr. HOBBS. That is right.

Mr. HAYS. But you would not advise that we give up studying juvenile delinquency?

Dr. HOBBS. Absolutely not. These things certainly need study.

The CHAIRMAN. Professor, since you referred to the Kinsey report, what do you consider the significance of the fact that the initial Kinsey study was financed by a foundation grant?

Dr. HOBBS. Sir, I intend to use the Kinsey report as an illustration of some of these pseudoscientific techniques, and as an illustration of the possible influence which this type of study may have. In that context, I would prefer to take it up that way.

The CHAIRMAN. Yes.

Mr. HAYS. You are saying that Dr. Kinsey is a pseudoscientist, is that right?

Dr. HOBBS. No, sir.

Mr. HAYS. He has used the pseudoscientific approach.

Dr. HOBBS. I said that he has used techniques which are pseudoscientific.

Mr. HAYS. I would not know anything about that. I am not acquainted with his books or techniques.

Dr. HOBBS. I am, sir, and I will explain something about them a little bit later.

So with the study of human behavior you have the difficulty that in many instances it is virtually impossible to reduce the type of behavior to a quantitative unit. There is always the hazard that the mere fact that you are studying the thing and the way in which you study that may change the very thing you are studying.

I will cite specific illustrations of that a little bit later.

The findings of the study can affect the type of behavior which is being studied. Again if you come out and say in your findings that sexual behavior of a wide variety is prevalent and so on, that in itself can—do not misunderstand me, I am not saying that studies should not be published because of this factor, but it should be recognized that the findings of a study can affect the type of behavior which is being studied.

Mr. HAYS. To get the emphasis off sex and on something else that I am more interested in, say, juvenile delinquency, you would probably agree with me that the very fact that the newspapers constantly say or have been recently that juvenile delinquency is increasing, and it is becoming an ever-greater problem, might have a tendency to make some juveniles think about delinquency. But on the other hand, we cannot hide our heads in the sand and say it does not exist, can we?

Dr. HOBBS. I certainly believe that the facts in this case, those findings are from the uniform crime reports of the Federal Bureau of Investigation, and they are factual findings, and they certainly should be publicized. But they are not publicized in the newspaper as being scientific findings. That is the extent of delinquency is not being published as being a scientific finding. If it were, then it could have a different effect.

Mr. HAYS. I am inclined to agree with you that it could have an effect, and perhaps various effects. I think you would perhaps agree with my thinking that when you are dealing with juveniles or the subjects in Dr. Kinsey's books you are dealing with human beings, and there are just as many variations as the people you are dealing with; is that not right?

Dr. HOBBS. There are tremendous variables which have to be taken into consideration, which make the problem of a study of human beings an extremely difficult one.

Mr. HAYS. In other words, if you approach a study of a thousand juveniles, you might get conceivably 1,000 different reactions to the same situation. The chances are that you would not, but it is possible that you could.

Dr. HOBBS. It is quite possible.

Mr. HAYS. Just the same as every one of the thousand have different fingerprints.

Dr. HOBBS. Yes, sir. With this scientific method being developed, another thing you have to have is that even if you are able to reduce the things you are studying to quantitative, uniform, and stable units, then merely doing that does not constitute the scientific method. Merely counting things is not science. The philosopher of science, Alfred North Whitehead, said in effect, if we had merely counted things, we would have left science exactly in the state in which it was 1,000 years ago.

Unfortunately, also, in social science, you do get this tendency which is particularly pronounced now to rely, I would say, and many of the outstanding people in the field will agree with me, an overemphasis on the tendency merely to count. Again, do not misunderstand me. I do not say that none of that should be done. It is a matter of degree.

Mr. GOODWIN. I do not understand, Doctor, what you mean by saying that the result of a count is not something exact. If you take a complete count of it you have the full picture, have you not?

Dr. HOBBS. Yes, sir, but to go back to Congressman Hays' question about juvenile delinquency,. if you were merely going to count these deliquents and measure the lengths of their noses and the size and shape of their ears, and so on, you could make such measurements which might be exact to a high degree. You could make such measurements for a long, long time. I think you will agree you probably would not find out anything basic about delinquency.

Mr. HAYS. You mean the size of their noses has nothing to do with it.

Dr. HOBBS. I would not venture to hazard a guess. I don't know. I would say probably not.

Mr. HAYS. I would be brave and guess that it would not.

The CHAIRMAN. But as I understand, you mean to say that it would not get at what might be the basic causes of juvenile delinquency.

Dr. HOBBS. I would be extremely doubtful, of course.

Mr. HAYS. We would all agree on that, would we not?

Dr. HOBBS. In other words, mere accounting is not enough. Even if you can count with relative accuracy, you still have to have a hypothesis. A hypothesis is a statement as nearly as exact as you can make it, a statement of what you are going to try to prove, or what you are going to try to disprove, and then you make your controlled observations. Then you will find that the hypothesis is not valid or you find that it has been validated by your observations, by your inductions and by your deductions.

The final test of scientific method is verification. This, of course, is particularly vital when you are dealing with human behavior and where the findings of the study could influence human behavior. In these cases, the findings should be verified not only by the person who made the study himself, but they should be verified by other people who are skeptical of it before you make any attempt to change human behavior or the society on the basis of the supposed scientific studies.

One test of verification is prediction. Even here you have to be extremely careful because sometimes what seems to be a prediction is merely a lucky guess. That is, if I predict the Yankees are going to win the pennant this year, they might win the pennant—I am a little bit afraid they will—but the fact that my prediction came true does not prove that I had worked it out scientifically. A prediction could be a lucky guess, it could be a coincidence, or it could be the result of factors other than the factors which you are investigating under your hypothesis.

Another common mistake is to confuse projection with prediction. I could predict that women will wash on Monday and iron on Tuesday. When I am doing that, I am not making a prediction, but I am assuming merely that the pattern of behavior which held true in the past will continue to hold true in the future. Many of the so-called

predictions of population growth are merely projections in this sense, rather than scientific predictions.

Of course, as you know, most of those projections themselves have been erroneous because the pattern of behavior does change.

Mr. HAYS. That is one of the reasons, though, is it not, Professor, that women have always been interesting. It has always been unsafe to predict about them.

Dr. HOBBS. That, Congressman, is a situation which neither you nor I would like to change. Let us not make that too scientific.

Mr. HAYS. I agree with you.

Dr. HOBBS. With the scientific method having been so successful, and then employed——

Mr. WORMSER. Dr. Hobbs, may I interrupt to ask you, is not experiment an essential mechanism in ordinary natural science whereas it is unavailable in social sciences?

Dr. HOBBS. As a generalization that would be correct, yes. It is very much more difficult to set up conditions to conduct a controlled experiment in social science than it is in physical science, and the ability to set up those controlled experiments in physical science has been a keystone in the tremendous success of the physical sciences.

Mr. KOCH. Do you say that in connection with juvenile delinquency some social scientists have actually measured noses or something similar?

Dr. HOBBS. No. I just used that as an extreme illustration.

With the tremendous success of physical science, particularly as the findings of physical science were translated by technologists into practical things, like steam engines, and automobiles, and so on, it is quite understandable that many people who have been studying and have been interested in human behavior, should apply the same method—and this is crucial—or should apply what they think is the same method, or what they can lead other people to believe is the same method. Throughout the history of social science you can see this correspondence between the attempts to apply the type of scientific method which is at that time successful in science to the study of human behavior.

Mrs. PFOST. Dr. Hobbs, you related a while ago about these habits of individuals, such as women washing on Monday and ironing on Tuesday. In what manner, now, do you feel that relates to the foundations, this study that we are making here?

Dr. HOBBS. I want to give this background to show the difference—and it is an essential difference—between science as it is used in the physical sciences, and science as it is used in the social sciences, which is the type of thing that is sponsored by the foundations.

Mr. HAYS. Doctor, I have always been aware of that difference. Do you think that there is a general unawareness of it?

Dr. HOBBS. I believe that is quite common. I am sorry if I am taking too long.

Mr. HAYS. No, take all the time you want.

Dr. HOBBS. I do want to give this background. Then I will give specific illustrations of the point you have in mind, where there is a definite effort to convince people that the two things are the same. I will bring that out.

Mr. HAYS. There has always been a loose term—at least I have always been familiar with it—in which we differentiated between the

so-called, and I used the word "so-called" there, exact sciences and the social sciences. I have always understood that social sciences, if you want to use that term, or sociologists would be a better term, are groping their way along knowing they have no exact way to measure the thing they are studying.

Dr. HOBBS. That is, of course, the way with many. But unfortunately there are some, and this is particularly pronounced in textbooks, for example, where the impression is given, and sometimes the flat statement is made, that this is science, and that it is the same kind of science that exists in the study of physical phenomena.

Mr. HAYS. Yes; but do you not think we are going to have to rely somewhat upon the intelligence of the people to differentiate? This committee or the Congress cannot legislate what people are going to think or what they are going to derive from certain statements in the newspapers. It might be desirable—I say very definitely it might be, I do not think it would be—but we cannot do it.

Dr. HOBBS. I would agree with you that the improvement, call it the reform, in this should come from within the fields, and not through legislation. That is, in the use of such terms as science. The people in the fields themselves should govern that, and should be more careful in their usage, which may happen. I don't know. But that is not the case now. The confusion is greater now than it was in the past. That is, the attempt to convince the readers of the textbooks, and trade books, is definitely there, and it is on the increase, rather than being on the decrease.

Mr. HAYS. Yes; but do you not think any tendency on the part of the Congress to try to legislate about that might conceivably get you in the situation where you would cut off valuable exploration into the unknown?

Dr. HOBBS. I had no intent of suggesting that in any way. As a matter of fact, I explicitly stated otherwise.

Mr. HAYS. I am not trying to put words in your mouth. I am trying to clarify in my mind and the people who read this hearing just what we are discussing here.

Dr. HOBBS. To legislate in that sense, to tell what words should be used, and how they should be used, would be extremely undesirable.

Mr. HAYS. In other words, we could not any more define it than you can define it.

Dr. HOBBS. I think, sir, I can define it. But that does not mean that everybody should agree with me in any way.

Mr. HAYS. In other words, it will be your definition.

Dr. HOBBS. That is correct. Of course, the definition is based on the interpretation of the outstanding philosophers of science. I make no claim that it is original with me, or unique with me. It is a common type of definition.

So in earlier days, the social scientists or what were then social philosophers, tried to apply the type of scientific technique which was successful at that time. The success in physical science has been in the area of mechanics. So the social philosophers attempted to describe human beings in terms of molecules and atoms and things like that and contend that human beings came into social groups because of factors of centripetal force. They dispersed and came in because of factors of electrical attraction. Looking back on that now, we would say it was very naive. As the techniques of physical science

change, the techniques of social science change along with them. That is understandable; they want to try to use the techniques which are being used in physical science, or want to try to use what seem to be the techniques used in physical science.

Unfortunately, however, many of these techniques—even though they may seem to be the same techniques as used in physical sciences—in their application to social studies or studies of social behavior, are different. It is further unfortunate that the difference is not made sufficiently clear to the readers and to the general public.

Mr. HAYS. Right there, do you have any specific suggestions about what coud be done about that?

Dr. HOBBS. I think it should be the burden and the positive responsibility of persons making the study and publishing the study. If they call it science, it should be their positive responsibility to point out the limitations, and not only point them out, but to emphasize them to avoid misleading the reader into the belief that it is science in the same sense that it is used in physical science. I think it should come from the individuals concerned, rather than from legislation.

Mr. HAYS. I am inclined to agree with you, that is a desirable thing, but the specific thing I am getting at is; is there anything we can do about it, or is it just something that is desirable, that we would like it to happen, and if it does it is fine, and if it does not, that is all right, too?

Dr. HOBBS. Sir, what I am leading up to, and I am very sorry it takes this long but I think the background is essential, is studies which have been sponsored by the foundations which have done, and some of them in exaggerated form, the type of thing which you agree and I agree should be avoided if it is at all possible, and that is to give the impression that the social science in the same sort or virtually the same as physical science.

Mr. HAYS. In other words, to avoid giving the impression that it is exact.

Dr. HOBBS. Yes, sir.

Mr. HAYS. And probably prefacing the study by saying that these studies are made under certain conditions, and have arrived at certain conclusions but everybody should know they might not be exact, because we are dealing with human beings.

Dr. HOBBS. That is correct, sir.

Mr. GOODWIN. How about a combination of physical science with mental or social? I am thinking about the lie detector. That apparently is an attempt to measure mechancially what is in a man's mind.

Dr. HOBBS. As I understand it, sir, it is not so much an attempt to measure what is in his mind, but it is a measure of fluctuations in blood pressure.

Mr. GOODWIN. Has not that some relation?

Dr. HOBBS. Yes, and to assume from those fluctuations whether he is mentally disturbed or concerned or not in a manner which could indicate that he were lying. But it rests on an assumption, and the assumption may be invalid in some cases. In using such devices, that is something you have to be careful about.

I would like to cite a number of these studies to emphasize the manner in which they can and apparently do influence important aspects of human behavior. One of these studies I would like to cite as an influence on moral behavior. Another one is as an influence on political

behavior. A third one is as an influence on military strategy and military policy and principles.

The first one, the one relating to morality, includes two volumes on sexual behavior. The first volume is entitled, Sexual Behavior in the Human Male, with the authors being Alfred C. Kinsey, Wardell B. Pomeroy, Clyde E. Martin, published in 1948. The second one, entitled, Sexual Behavior in the Human Female, the authors being Alfred C. Kinsey, Wardell B. Pomeroy, Clyde E. Martin, Paul H. Gebhart, published in 1953.

In the foreword of these books, it is stated that a grant was made to make these studies possible through the Committee for Research in Problems of Sex of the National Research Council of the National Academy of Sciences, and that the Rockefeller Foundation made the grant.

Professor Kinsey, in connection with his first volume, stated or reiterated or emphasized that he was merely interested in finding the fact of human sexual behavior. However, in the book (and numerous reviewers, have pointed this out) Professor Kinsey departs from mere statement of fact of human sexual behavior, and includes numerous interpretations, interpretations which do not follow from the type of data which he collected.

Mrs. PFOST. Dr. Hobbs, may I ask you, these books that you are relating here, they all have to do with donations that have been made by foundations in publishing the books. Is that the reason you are enumerating the particular books?

Dr. HOBBS. In this case, the grant was apparently made so that the study could be conducted. In the second case, the grant was made so that the study could be conducted. The book was published by a commercial publisher. Whether any grant was made for purposes of publication, I do not know.

Mr. HAYS. Dr. Hobbs, I am sure that I am safe in assuming that you are implying that these Kinsey reports are not very valuable.

Dr. HOBBS. I do not mean to imply that, sir. A tremendous amount of work was involved in conducting these studies.

Mr. HAYS. But you do more or less imply that the scientific approach was not very good.

Dr. HOBBS. There were numerous statistical fallacies involved in both Kinsey reports; yes, sir.

Mr. HAYS. You had no connection with the Kinsey project in any way, have you?

Dr. HOBBS. No, sir. I have written articles relating to them for the American Journal of Psychiatry, but no connection.

Mr. HAYS. You have no desire to promote the sale of the book?

Dr. HOBBS. Oh, no.

Mr. HAYS. The reason I ask you that is that all the publicity about Kinsey has sort of died down and now we are giving it a new impetus here, and I suppose that will sell a few thousand more books.

Dr. HOBBS. I have no financial interest in that or in any of the publishing companies, sir.

Mrs. PFOST. Dr. Hobbs, you mean to imply that tax-free funds were used for the Kinsey report?

Dr. HOBBS. Yes.

Mrs. PFOST. Thank you.

The CHAIRMAN. As I understand, you are raising a question about the scientific approach which Dr. Kinsey made in conducting this research in the first place, and then some of his comments and conclusions which he wrote into his report, which did not necessarily arise from the basis of his research which he had made?

Dr. HOBBS. Yes, sir.

The CHAIRMAN. And which might have damaging effect on the psychology of the people, particularly the young people of the country.

Dr. HOBBS. Yes, sir.

The CHAIRMAN. And at the same time undertaking to give to the country the overall impression that his findings and his comments were based upon a scientific study which had been made, as the basis of a grant.

Dr. HOBBS. Yes, sir; a scientific study of the type by implication which you have in physics and chemistry, and, therefore, its conclusions cannot be challenged.

The CHAIRMAN. Enumerating in the preface that it was made by a grant from one of the foundations giving it further prestige, possibly, that it was of scientific value, and so forth.

Dr. HOBBS. That would be correct. I have a statement to that effect to show that very type of influence, which I will come to a little bit later.

Mr. HAYS. Dr. Hobbs, I would like to ask you this: Is there anything in the preface of the Kinsey volumes that says that this is not to be taken as a general pattern of behavior for the whole country, but just merely for the 5,000 or 3,000, or whatever number of people it was that he studied?

Dr. HOBBS. In the first volume—that is the volume on males—Kinsey employed a technique of projecting his sample, which in that case, if my memory serves me correctly, involved 5,300 males—a technique of projecting that sample of 5,300 to the entire male population of the United States. So the impression throughout the book was conveyed, and conveyed very strongly, that the findings—and not only the findings but the interpretation of the findings—applied to all of the males of the United States.

In the second volume Kinsey does not use that technique, because it was—I would guess the reason he does not use it—because it was criticized by statisticians and others, including myself.

Mr. HAYS. Then you think he has been amenable to criticism?

Dr. HOBBS. The only acknowledgment that I know of that Professor Kinsey has made to criticism—he may have made others than this, but this is the only one I know of—where at one time he said one of the reasons why people don't interpret me correctly is because they believe that the title of my book is "Sexual Behavior of the Human Male," when actually the title is "Sexual Behavior in the Human Male." I could never quite grasp any deep significance of that difference, although Professor Kinsey's point apparently was made that there is in the field of taxonomy, where he came from before he took up sex, that type of title is generally employed.

The CHAIRMAN. So far as the reaction among the public is concerned, I think there is a very wide feeling that his whole research and his publications are just a bunch of claptrap that are not doing

anybody any good. It might be all right as a basis for some scientific study, but I think many people feel that more good would be derived from them if it is kept in a laboratory, instead of published as a commercial enterprise.

Mr. HAYS. Let me say, Mr. Chairman, in view of your views—and I share them to some extent—I think perhaps we ought to quit merchandising claptrap and forget about talking about that here, because that is exactly what we are doing. If this hearing does not give the sales to Kinsey's book a big shot in the arm, then I do not know what I am talking about. As I say, I have not seen anything in the paper about Kinsey for months and months. Now we start all over again, and a lot of people are going to say Congress is investigating Kinsey; let us go out and buy his books and see what it is all about.

The CHAIRMAN. It is pertinent, it seems to me, Mr. Hays, that the original study particularly was made possible and was advanced by a grant from one of the foundations. How many other studies of comparable nature so far as value is concerned were made possible by grants from foundations remains to be seen. I do not understand that the witness is going to belabor this subject.

Dr. HOBBS. No, sir.

Mr. HAYS. I would like to say on that score that there undoubtedly have been according to the number of foundations that we said there were in the opening of these hearings, there have been literally tens of thousands of grants.

Dr. HOBBS. Yes, sir.

Mr. HAYS. I just do not think we ought to pick out the sex grant and concentrate our energies on that. Let us just sort of go along and get on with something else.

Dr. HOBBS. I am sorry I did not make that clear, perhaps. But what I am referring to are grants which have had the most influence on the public. You can say there were thousands of grants. The general public never hears of the findings of, say, 99 percent of those thousands. I wish to cite some which the general public does hear of for which the grants have involved a great deal of money.

Mr. HAYS. Doctor, right there, are not the findings of all these grants published probably?

Dr. HOBBS. Many of them are, of course.

Mr. HAYS. And if the public decides to look over this one, there is not much we can do about it. We might say that is a bad characteristic on the part of the public to be so curious about it, but there is nothing this committee can do about it.

Mr. WORMSER. Mr. Chairman, may I interject one thing? Maybe I am anticipating, but I think Dr. Hobbs will bring out that in the case of the Kinsey report, which he deems, I believe, a mistaken piece of work in one sense, was taken up by various elements in the public and even made the basis for a demand for legislation that our legal and social practices be changed. I think it has enormous importance and impact in that connection.

Mr. HAYS. Let me say to you, Mr. Wormser, that knowing what little I know about legislation, from having served in two different legislative bodies, I would say that is a subject that most legislators will shy far away from and I do not think you need to get too much excited about it.

Mr. GOODWIN. Is it not a fact, Doctor, if you know, that the sale of both of the Kinsey volumes is very disappointing?

Dr. HOBBS. I do not know the sales figures.

In relation to evaluation in the Kinsey volumes, references to socially approved patterns of sexual behavior are frequently referred to as rationalization. That is, the socially approved patterns of sexual behavior throughout the Kinsey works are referred to in terms of ridicule, as being mere rationalization, and justifications for types of behavior which by implication are not the best or even the most desirable.

Socially condemned forms of sexual behavior and criminal forms of sexual behavior are usually in the Kinsey volumes referred to as normal, or normal in the human animal.

The presentation of moral codes, codes of sexual behavior, is such that they are contrasted with what Kinsey calls normal mammalian behavior, which could give the impression, and it gave the impression to a number of reviewers, that things which conform to the socially approved codes of sexual conduct are rationalizations, not quite right, while things which deviate from it, such as homosexuality, are normal, in a sense right.

Mr. HAYS. I would like to get that a little straighter. As I say, I am working at a disadvantage never having read these volumes. You are saying now that Kinsey says homosexuality is normal?

Dr. HOBBS. Yes, sir.

The CHAIRMAN. Possibly I should reserve this observation when representatives of the foundations concerned are before the committee, but what disturbs me, professor, is why a foundation whose funds are made available by the people and the Government in foregoing taxes, or at least some 90 percent of the funds are made possible by the people foregoing the taxes which they otherwise would receive, which you and I make up, why a foundation should be making grants for a study of this nature. It may have sufficient scientific value to justify it, but it certainly is a project that I, as Mr. Hays indicates, that the Government itself would not undertake to make the funds available to sponsor the project. Then why should some agency whose funds are made available by the Government foregoing the taxes in turn sponsor a project that has at least such a great question and aura of mystery surrounding it?

Dr. HOBBS. Sir, in respect to a grant for the first volume, I should say there should have been a good deal of skepticism, but I can see where the members of the foundations could feel—do not mistake me, Professor Kinsey is a very able man, he had a very good background in physical science, in biology, specifically in taxonomy, and he is an extremely hard worker.

The CHAIRMAN. If you will permit an interjection, all I have heard about Professor Kinsey is very favorable.

Dr. HOBBS. Yes, sir.

The CHAIRMAN. As a professor and in his field, that he is very capable. The question is whether he roamed beyond his field when he projected himself into this study under the grants made by the foundation.

Mr. HAYS. What you are saying, Mr. Chairman, is that he is an expert on wasps.

Dr. HOBBS. A particular kind of wasp.

Mr. HAYS. I want to go back to this business. I am frankly quite disturbed about this statement. I have always been under the impression that homosexuality was a disease. Now you say that Kinsey makes the flat statement that it is normal behavior.

Dr. HOBBS. In the context of the presentation he refers to human sexual normality in terms of the human animal, normal in other anthropoids. These are all quotes. Usual mammalian behavior, biologic normality. Perfectly natural and humanly inevitable. That last one, I think—I am not positive about this—specifically along with the others related to homosexuality.

Mr. HAYS. As I follow you now, you are lifting a group of words and just mentioning them off, and saying that they were used through the book. What I want to know is, did he or did he not say homosexuality is normal? If he did, I think then we are on safe ground in going further. If he did not, let us say that.

Dr. HOBBS. In the context of the presentation these terms were used more than 100 times. I am not picking on an occasional term. These terms were used over and over again in the first volume.

Mr. HAYS. I am asking you a simple question. Did he or did he not—you can answer by either yes or no—did he or did he not say homosexuality is normal behavior?

Dr. HOBBS. I would have to get the volume and the exact reference.

Mr. HAYS. I thought a moment ago that you made the statement that he said that. At least you left me with that impression.

Dr. HOBBS. If I said that it was a misinterpretation. The implication throughout the book in the context of normal mammalian behavior, and so on, the implication which is likely to be left in the minds of most readers is the homosexuality and other forms of socially condemned forms of sexual behavior are normal, Normal in the mammalian sense.

Mr. HAYS. In other words, you are saying he left that implication but he did not say so flatly?

Dr. HOBBS. The statement may be in the book. I would not say definitely that it is, or is not.

Mr. HAYS. I think it is bad if he left the implication, but I think it is a lot worse if he said so flatly.

Dr. HOBBS. I agree with you.

The CHAIRMAN. But the quotations which you have just read, professor, which are explanations which he gives in the book, certainly would agree the normality of such behavior.

Dr. HOBBS. Very definitely and repeatedly.

Mrs. PFOST. Dr. Hobbs, I understood that the purpose of the hearings of this committee was to investigate the donations and grants of tax-exempt foundations to un-American activities or subversive organization. I was woundering what bearing this Kinsey report has on this angle of our hearings.

Dr. HOBBS. My understanding—it may be incorrect—was that there was an interest in whether these grants result in studies and publications which in a significant way affect political activity or military activity or moral activity.

Mr. WORMSER. May I interject, if I may, Mr. Chairman, to suggest to Mrs. Pfost that Dr. Hobbs hardly is in a position to testify what the investigation covers. I think the committee itself would have to determine that.

Mrs. PFOST. I can realize that, but we seem to have gotten over to the Kinsey report and have stayed on it for quite some time.

Mr. HAYS. Mr. Wormser, right there, you and I have had numerous conversations and we always wind up agreeing that this committee did not set out to investigate sex.

Mr. WORMSER. There is no question about that.

Mr. HAYS. We are spending a lot of time on that. So we got sex in the back door. That is going to be good headlines.

Mr. KOCH. Emphasized by questions.

Mr. WORMSER. May I make this explanation. Professor Hobbs has written a book in which he has discussed what he called "scientism." I still would like him to explain that word. The word relates to research and the type of writing in the social sciences which is financed widely by foundations and it has certain, according to Dr. Hobbs and his book, derogatory effects on our society. It seems to me that is a proper subject for investigation. The Kinsey report is one of the examples of a piece in one sense anyway, a mistaken investigation which has had derogatory effects.

The CHAIRMAN. My feeling would be, Mrs. Pfost, that the committee does have full authority to investigate the grants which any of the foundations may have made to determine what the effect of these grants may have been. However, I think your question is very appropriate in indicating that we ought not to let ourselves get too far on the byroad.

Mr. GOODWIN. It seems to me, Mr. Chairman, we ought to let the doctor go ahead and develop his testimony. So far as I am concerned, I will keep in the background any interest I have in this matter.

The CHAIRMAN. If it is agreeable with the committee, I think it would be in the interest of good procedure to permit Dr. Hobbs to proceed with the development of his thesis until we feel abused.

Mr. HAYS. Just before he goes on, I am going to insist that we clear up this remark of the associate counsel, which I think he put it in there deliberately to indicate I have an undue interest in this matter. As you know, I told you in the beginning that we better leave Kinsey clear out of this hearing one way or another, because I do not think this committee is competent to rule on Kinsey or the subject that he studied. I do not want any members of the staff to be trying to put me in a bad light. As a matter of fact, as far as that is concerned, I do not think any can, even if they try, but I am going to make it plain right here that I am not going to sit idly by and let it happen.

While I am on the subject, the record might as well show that there is no minority staff, that the minority is sitting here alone. If we try to protect anybody that we think is being persecuted, we are still alone, because the staff and the majority are all of the same opinion. I am trying to be openminded about the whole thing.

Mr. GOODWIN. Mr. Chairman, I think the record will probably show that any buildup that has been given Mr. Kinsey this morning has been done by the committee.

The CHAIRMAN. I think possibly that Professor Hobbs would have been very restrained insofar as I am able to observe from what he said so far, and I do not think the development by the committee applies to any one member of the committee; it applies to all of us.

Mr. WORMSER. Mr. Chairman, may I say something to Mr. Hays. I tried to make clear to him in person at a talk we had that insofar as I personally am concerned as counsel, I more than welcome his examination of witnesses. I am delighted to have him examine them as freely as he wishes. I am not on the committee; I am only counsel; but I want him to understand counsel's position.

The CHAIRMAN. You may proceed, Mr. Hobbs.

Dr. HOBBS. Thank you, sir. Perhaps this is not in context. I don't know. But what I am trying to illustrate is the manner in which studies can influence important aspects of human behavior. I don't mean to impugn Professor Kinsey's motives, nor the motives of the members of the foundations or anything of that type. I am merely saying that this can happen and this is an illustration of where it does happen.

For an illustration, in connection with the question of heterosexuality compared with homosexuality, Kinsey in the first volume has this statement:

> It is only because society demands that there be a particular choice in the matter (of heterosexuality or homosexuality) and does not so often dictate one's choice of food or clothing.

He puts it in terms of it is just a custom which society demands.

In the second volume it is stressed, for example, that we object to adult molesters of children primarily because we have become conditioned against such adult molesters of children, and that the children who are molested become emotionally upset, primarily because of the old-fashioned attitudes of their parents about such practices, and the parents (the implication is) are the ones who do the real damage by making a fuss about it if a child is molested. Because the molester, and here I quote from Kinsey, "may have contributed favorably to their later sociosexual development." That is a molester of children may have actually, Kinsey contends, not only not harmed them, but may have contributed favorably to their later sociosexual development.

Especially emphasized in the second volume, the volume on females, is the supposed beneficial effects of premarital sexual experiences. Such experiences, Kinsey states:

> provide an opportunity for the females to learn to adjust emotionally to various types of males.

That is on page 266 of the volume on females.

In addition, on page 327 he contends that premarital sexual experience may well contribute to the effectiveness of one's other nonsexual social relationships, and that many females—this is on page 115—will thus learn how to respond to sociosexual contacts.

On page 328, that it should contribute to the development of emotional capacities in a more effective way than if sexual experiences are acuqired after marriage.

The avoidance of premarital sexual experience by females, according to Professor Kinsey, may lead to inhibitions which damage the capacity to respond, so much that these inhibitions may persist after years of marriage, "if, indeed, they are ever dissipated." That is from page 330.

So you get a continued emphasis on the desirability of females engaging in premarital sexual behavior. In both of these volumes

there is a persistent emphasis, a persistent questioning of the traditional codes, and the laws relating to sexual behavior. Professor Kinsey may be correct or he may be incorrect, but when he gives the impression that the findings are scientific in the same sense as the findings in physical science, then the issue becomes not a matter of whether he as a person is correct or incorrect, but of the impression which is given to the public, which can be quite unfortunate.

As an illustration of this impression, there is a volume which came out this year called Sex Life of the American Woman and the Kinsey Report, which was edited by one Albert Ellis, and published in 1954. In this volume an attorney—shall I give his name, it is not particularly a flattering reference?

The CHAIRMAN. Unless there is something to be accomplished by it, I see no purpose to it.

Dr. HOBBS. I will omit these names, but if you want them I can supply them. An attorney writing in this volume says this:

It may sound strange to say that the most encouraging note about the new Kinsey report is its indication that more and more women are beginning to commit more and more sex crimes.

People get to think that this is a good thing if women commit more and more sex crimes.

Then from the same volume here are a series of statements from a prominent clergyman, and again I would prefer not to identify him, but can if you wish. He comes very, very close to comparing the Kinsey findings and the Kinsey study with religion.

Looking for truths, mathematical, historical, artistic, sexual, any and every kind of truth is a form of religious devotion. This questioning of the world is only one kind of worship, of course, but it is one to which we are enjoined. It is a devotional life involving laboratories and libraries, interviews, and the IBM.

This is by a clergyman, and it comes to be almost a religion or substitute for religion.

He says:

These (referring to Kinsey's findings) results are the facts with which the moralist will have to work and build.

Do you want the page numbers on these citations, if anybody wants to check them?

The CHAIRMAN. It would not hurt to give the page numbers.

Mr. HOBBS. The first reference was on page 79, and the second one on page 80. The reference by the attorney was on page 183.

Another one, also, by the clergyman:

Yet we cannot go back to the legalistic morality which has prevailed so long. That has really outlived its usefulness if the Kinsey books are right.

Here you get a man who is undoubtedly sincere, but unfortunately like many of us when we are in areas where we are not expert, quite gullible. Assuming this is published and labeled "science," therefore it must be right; even clergymen have to go along with it and change concepts of morality.

That legalistic conformism has outlived its usefulness by about 2,000 years, if the New Testament is right. It is an emeritus ethic, due at least for honorable retirement.

That is on pages 92 and 93.

Just prior to the publication of the first Kinsey volume, the one on males, there was an article in Harper's magazine presenting the

type of conclusion which Kinsey was going to bring out, written by one Albert Deutsch. He described the general type of Kinsey's conclusions, that they were shocking, that they would change the laws, that they would change attitudes toward morality, and so on, and he had this statement in there, which I think is particularly pertinent to this inquiry:

So startling are its revelations, so contrary to what civilized man has been taught for generations, that they would be unbelievable but for the impressive weight of the scientific agencies backing the survey.

That is the unfortunate thing that you have involved here. I do not mean that the foundations meant it to be that way. I do not mean even that Professor Kinsey meant it to be that way. But unfortunately the public does get that impression—that this is something that is final and infallible, which you cannot and should not question. I think that is extremely unfortunate.

Mr. WORMSER. Dr. Hobbs, would you take the time to give quickly 1 or 2 illustrations, starting at page 99 of your book, of reactions to the first Kinsey report? I think some of them are particularly important. There are 1 or 2 which resulted in advocacy of legislation to change sex laws. There is one from the Scientific Monthly on page 99. There is another from Professor McIver, and a third one from R. L. Dickinson.

Dr. HOBBS. Yes.

The Scientific Monthly is an impressive and deserved title for a sound and scholarly magazine. In the December 1948 issue a review of the Kinsey report appeared in this magazine. This review was written by a respected psychologist who did state some of the limitations inherent in the Kinsey sample, but then went on to minimize these limitations. He described the report as an outstanding achievement, which used basically sound methods, which led to trustworthy results. Not content to stop with description and assessment of the method, the reviewer did precisely what the Kinsey report seems designed to lead people to do, stating that it recorded "tremendous implications for scientists, legislators, physicians, and public officers." He contended that the report "shows clearly that our current laws do not comply with the biologic facts of normal sexual behavior."

In other words, the implication is that the laws should be changed to conform with biology. If you have a biological urge, the law should permit you to express that biological urge as it is demanding on you.

This review described the final result as "one of the most outstanding contributions of social and biological science to the welfare of millions."

Then in another type of review, this was entitled, "About the Kinsey Report," edited by Donald Porter Geddes and Enid Curie. Eleven experts contribute observations about the Kinsey report. These experts, and some of them of great renown, included psychiatry, professor of sociology, anthropology, law, psychology, economics, and anatomy. They react in similar fashion. Some of them simply do not know enough about scientific method and statistics to evaluate Kinsey's report, and these accepted without qualifications. Others have a suspicion that it is unscientific, but say in effect that it doesn't matter, the important thing is that it be publicized and serve as a basis for reform of sexual behavior and of laws which deal with violations of sexual mores.

Mr. WORMSER. Dr. Hobbs, I do not think you need to take the time to do more. There are other similar citations in your book at pages 99 to, I believe, 102. I think you might here go to another subject.

Dr. HOBBS. The point I wanted to make here is that this is the type of thing which can, and, I think you will agree, does in some measure at least influence an important aspect of human behavior. It is something that we should be extremely careful about, careful to a degree which was not indicated in the publicizing of books such as the Kinsey report. I don't mean to put any onus on Professor Kinsey. He certainly worked hard, and sincerely, at it, and has an impressive collection of data. But the end result is quite unfortunate.

The second reference I would like to make is to a book written by Stuart Chase, called, The proper Study of Mankind published in 1948 by Harpers. Here is the publisher's blurb on it, which states under a title, "How This Book Came To Be Written," and I quote from the publisher's blurb:

> The story of the origin and development of the proper study of mankind highlight its importance and suggests its quality. All his life Stuart Chase has been keenly interested in social problems as his many highly successful books bear witness. His growing anxiety about the state of the world and the dilemmas of the atomic age was challenged some 3 years ago when he was asked by Donald Young of the Social Science Research Council and Charles Dollard of the Carnegie Corp. to undertake the preparation of a study which would—

and this is in quotes—

> "run a kind of chain and compass line across the whole front of the sciences devoted to human relations."

Then further on it says:

> It (the book) was planned and developed in consultation with dozens of social scientists in all parts of the country, and Messrs. Young and Dollard followed the project step by step to its completion.

So that here is an illustration of a book which was not only the result of a grant, but which directly involved members of the foundations, and which had their specific endorsement.

Mr. HAYS. Dr. Hobbs, I have a couple of questions. I do not know how long you are going to be here, and I think it is important that we get them in. I do not know that this is any better place than perhaps later on or even earlier.

Dr. HOBBS. Yes, sir.

Mr. HAYS. In view of the fact that there must be literally thousands of professors all over the country, I am interested in how you came to be here today. Did you approach the staff or did the staff approach you, or just how was the contact made?

Dr. HOBBS. As I remember the sequence, I believe it was Mr. Norman Dodd who wrote to me saying that he had read my book and was very much interested in it, and that he was going to or had ordered copies for the research group and then later on he wrote to me saying he would be in Philadelphia, and would I meet him and have dinner with him. I did. I believe it was at that time he asked or gave me a general outline of the type of thing that the committee was trying to do and asked me if I would care to contribute to it.

Mr. HAYS. In other words, then, the staff approached you. You did not write in asking to testify?

Dr. HOBBS. No, no.

Mr. HAYS. Have you ever worked on a foundation project?

Dr. HOBBS. I was with the Princeton office of population research in the early part of the war before I went into the service. I do not know frankly whether that was a foundation. It was working under the Department of State. I don't know whether grants were involved or not.

Mr. HAYS. In other words, you were never directly involved in one where you got a grant?

Dr. HOBBS. I have received grants, yes, sir.

Mr. HAYS. You have received grants?

Dr. HOBBS. Yes, sir. At the end of the war, the Social Science Research Council had what they call demobilization awards, which were for the purpose of enabling people who had been in the service to help them to get back into the swing of things, and in a sense at least sort of make up for lost time. Donald Young approached me and said in effect, "Why don't you try for one of these awards," and I did. The grant was the demobilization award for the summer of 1946 and the summer of 1947. It was in the amount of $1,000 for each of those summers so I could work on a book.

Mr. HAYS. What foundation was that from?

Dr. HOBBS. The Social Science Research Council.

Mr. HAYS. Have you ever applied to any of these foundations for a grant that has been turned down?

Dr. HOBBS. No.

Mr. HAYS. You have never been turned down?

Dr. HOBBS. No, sir.

Mr. HAYS. I want you to get the impression, and I hope you will, that any questions I may ask you are not unfriendly.

Dr. HOBBS. Surely.

Mr. HAYS. I am just interested in some of the background here. Of course, I am sure you realize by this time that your appearing this morning and the testimony that you have given so far will get your name in a lot of papers and places where it has probably never been before.

Dr. HOBBS. I might say that my name has been in a lot of papers already.

Mr. HAYS. I am sure it has.

Dr. HOBBS. Frankly, it does not matter too much.

Mr. HAYS. It is going to be in all of them from this testimony today; let me put it that way. That fact would not have influenced you in your choice of this particular book to discuss?

Dr. HOBBS. No. Frankly, I am interested in the type of studies I make in teaching. To put it frankly, this is obviously an emotional strain and so on, and I am taking time off from my work.

Mr. HAYS. I do not know whether you observed it or not, but I think this is interesting, and I think it is interesting to you. The last book you mentioned, what was the name of that?

Dr. HOBBS. If you want to, we will keep the title down.

Mr. HAYS. No, I want the title of it.

Dr. HOBBS. It is "Social Problems in Scientism."

Mr. HAYS. Not your book. Did you not just mention a book?

Dr. HOBBS. Stuart Chase, "The Proper Study of Mankind."

Mr. HAYS. Did you observe that did not create much of a ripple among the reporters when you mentioned that book, but on the Kinsey book they all made notes.

Dr. HOBBS. I am sorry. We have to face it, sex is interesting—I am not sorry that it is that way; it is a fact.

Mr. HAYS. I do not think you need to commit yourself about whether you are sorry or not. I certainly did not mean to make any inference. I just want to point out that this is the thing that is going to get the news. What I am getting at is, that did not influence you to use that particular one for an illustration?

Dr. HOBBS. No. You see, I had written two critical analyses of the Kinsey books for the American Journal of Psychiatry, and they did, when they were issued, get a lot of publicity, and so on. So that is the context in which they are significant, I think.

Mr. HAYS. If what you say about the Kinsey Report is true, and I certainly have no reason to doubt your statements, I think it is unfortunate if we have encouraged the sale of it any. But since your book is critical of it, maybe you ought to mention the title of it again, and maybe we might encourage the sale of it a little.

The CHAIRMAN. I have grave doubts whether what he has said about the Kinsey Report today would promote the sale of it very much.

Mr. HAYS. You would be surprised at the number of curious people that will want to go and read it.

The CHAIRMAN. You may go ahead.

Dr. HOBBS. Yes, sir. One question on this Proper Study of Mankind would be why was a man like Stuart Chase selected. Again I do not mean to impugn Mr. Chase, because he is an excellent writer. He is a very good popular writer.

Mr. HAYS. Right there now, I am interested. You say why was a man like Stuart Chase selected. Who is he? Give us a little background about him.

Dr. HOBBS. He has written numerous books which are listed on this blurb: The Tragedy of Waste; Your Money's Worth; Men and Machines; The Economy of Abundance; Rich Land, Poor Land; Idle Men, Idle Money; Where is the Money Coming From? I think that would still be up to date.

Mr. HAYS. If he wrote Where is the Money Coming From? he plagiarized former Congressman Rich. He had a copyright on that.

Dr. HOBBS. There is another one more recent than this which I reviewed for one of the journals published after the war, "For This We Fought," and the usual line that we were fighting for economic gains, we were fighting for better housing and things like that. I had just come out of the service. I had not met anyone who was fighting for a better house or anything like that. So I wondered why a man like Stuart Chase, who has in his work definitely indicated his leanings toward collectivism and social planning and that sort of thing, why he was chosen.

Mr. HAYS. In other words, you are saying he is a sort of leftwinger; is that it?

Dr. HOBBS. Sir, to answer that, may I cite from another book written by one of your colleagues, Congressman Shafer, this is the book called "The Turning of the Tides," written by Paul W. Shafer, Congressman Shafer, I understand, and one John Howland Snow, and there is a reference in there to Stuart Chase and several citations from his writings:

In 1921 the Intercollegiate Socialist Society was ready for the next organizational step, and this was signalized by a change of name. The 16-year-old ISS in that year became the League for Industrial Democracy.

The LID was a membership society organized for the specific purpose of "education for a new social order based on production for use and not for profit."

Under its new name, the original Intercollegiate Socialist Society continued under the joint direction of Harry W. Laidler and Norman Thomas. The league's first president was Robert Morse Lovett, a professor of literature at the University of Chicago, and an editor of the New Republic. Charles P. Steinmetz was a vice president, and Stuart Chase was treasurer. One of its lecturers was Paul R. Porter, later with the ECA in Greece. The field secretary was Paul Blanshard. In 1926 one of the directors was Louis Budenz—a man of whom you have heard.

Mr. HAYS. A sort of eminently respectable repentant Communist.

Dr. HOBBS. Yes.

Mr. HAYS. A professional witness, too, isn't he?

Dr. HOBBS. He has appeared testifying before committees. I have read some of the testimony.

Mr. HAYS. I do not know whether he is one, but my good friend, Martin Dies, was saying the other day that he had a string of Communists that he could depend on any time, but television ruined all of them.

Dr. HOBBS. This book also refers to Stuart Chase, addressing the department of superintendents of the National Educational Association, at its Atlantic City meeting on February 25, 1935, and said:

> If we have even a trace of liberalism in our natures, we must be prepared to see an increasing amount of collectivism, Government interference, centralization of economic control, social planning. Here again the relevant question is not how to get rid of Government interference, but how to apply it for the greatest good of the greatest number.

The citation is from the National Education Association, April 25, pages 107, 110.

In 1934 Stuart Chase declared that an abundance economy requires—

> the scrapping of outworn political boundaries and of constitutional checks and balances where the issues involved are technical.

That also is from the National Education Association Journal of May 1934, page 147.

Mr. HAYS. Are you a member of the National Education Association?

Dr. HOBBS. No, sir. The National Education Association is for elementary and secondary school teachers primarily. College teachers ordinarily would not belong to it. One question here is why was Stuart Chase chosen when his leanings were definitely known and why not pick some other person, or if you do pick Chase, and a case could be made for picking him by virtue of his extremely good writing talent, if you do pick him, then you would have to be very careful that he did not slant the material too much in ways that you would know he is likely to. You have these two members of the foundation, Donald Young and Charles Dollard, who presumably would tend to modify or eliminate any leaning which you might tend to find in the book. That did not happen.

Here, sir, I will go back to the question you raised earlier about giving the reader the impression that the physical sciences and the

social sciences are very much the same. Here is the type of thing you get in Stuart Chase.

What had the anthropologist, psychologist, sociologist to tell us about such problems that was in any way comparable to what the physicist and the medical men had to tell us about thermodynamics and filterable viruses, laws and principles and techniques which a man would rely on? So when it was suggested by Donald Young of the Social Science Research Council and Charles Dollard of the Carnegie Corp. that I run a kind of chain-and-compass line across the whole front of the sciences devoted to human relations, I was immediately interested in connection with the deep and fundamental quest for certainty which had troubled me for many years.

My first conferences were with Young and Dollard, who have followed the project step by step and given me invaluable help. Before accepting the assignment at all, I consulted Raymond Fosdick, who has planned and encouraged many studies in the application of science to human relations, and he urged me to attempt it.

Mr. HAYS. Professor, to keep this thing clear, would you identify Young and Dollard a little more?

Dr. HOBBS. As identified in the book and advertising——

Mr. HAYS. What foundations are they with?

Dr. HOBBS. As stated, Donald Young of the Social Science Research Council, and Charles Dollard of the Carnegie Corp.

Mr. HAYS. As I get it so far, is this Stuart Chase accused of being a Communist or anything?

Dr. HOBBS. No, but his leanings. As I said, according to The Turning of the Tides, he was a member of the League for Industrial Democracy, which was Socialist, or at least quasi-Socialist.

Mr. HAYS. Is that on the Attorney General's list or anything? I never heard of it.

Dr. HOBBS. I frankly do not know whether it is or not. I am not saying this as a matter of subversion, but a matter of definite leaning which was indicated in the background.

Mr. HAYS. We cannot criticize a man for his leanings, can we?

Dr. HOBBS. No, sir.

Mr. HAYS. A fellow might lean the other way, and as far as I am concerned, he has a perfect right to lean that way.

Dr. HOBBS. Yes, sir; but, if the leanings are known, the question arises: Should the foundations lend their prestige and works to foster those leanings in the eyes of the public or at least the portion of the public which reads books of this kind?

Mr. HAYS. Do you suppose that the intellectual outlook of the individual foundation member might have anything to do with that?

Dr. HOBBS. It readily could.

Mr. HAYS. If you were a member of a board of directors of a foundation and somebody came to you with a request for a grant to promulgate the ideas of William McKinley, would you think that would be a worthy subject for a grant?

Dr. HOBBS. No, sir.

Mr. HAYS. Why? He is a fellow statesman of mine.

Dr. HOBBS. William McKinley did not have the title of a social scientist.

Mr. HAYS. He had a lot of ideas on social science.

Mr. GOODWIN. He had a lot of ideas which are still pretty good, too.

Mr. HAYS. I would not want to say that he did not have any ideas that were not pretty good. I think his philosophy of politics, and that of his manager, shall we say, to use a kind word, Mark Hanna, have

become pretty outdated. Even his principle of campaigning would not stand up in 1954. The front porch was good then. I wish you could campaign that way now. It would be better maybe for the candidate.

Mr. GOODWIN. You can stop this colloquy, Doctor, if you will go forward.

Mr. HAYS. Right there, I do not want you to arrogate to yourself any right to stop me from making a speech here, Mr. Goodwin.

Mr. GOODWIN. All right, Doctor.

Dr. HOBBS. Then he goes on to say, after having these conferences with Young and Dollard, and after they had requested that he do this work, that he went to Washington to meet a group of social scientists who had been active in war work, who had influenced (and he cites examples), Comdr. Alexander Leighton talked of his experiences with Japanese Americans in the Arizona desert, and his work in Japan. Others outlined their work in selecting "cloak and dagger men," for the OSS. In manpower analysis, economic controls for inflation, the selection of officers for the Army. Samuel Stauffer described how he felt the pulse of 10 million GI's. Actually I may interject Chase said 10 million. In the volume on the American soldier which he refers to here, it was a half million rather than 10 million. I repeat the quote, "how he felt the pulse of 10 million GI's, via the Army studies of troop attitudes and opinion which he largely engineered."

Then he goes on to say that "I am grateful to J. Frederick Dewhurst, John Dollard, John Gardner, Pendleton Herring, Ralph Linton, H. A. Murray, Talcott Parsons, Don K. Price, and Paul Webbink for a reading of the manuscript, but I am, of course, responsible for the final draft."

This book, Chase says, is an attempt to explore the possibilities of applying the scientific method which has proved so successful in problems of matter and energy to problems of human relations. The methods in use by many statesmen today——

Mr. HAYS. Dr. Hobbs, would you mind just holding up there a minute.

(Discussion off the record.)

Mrs. PROST. Mr. Chairman, I was going to ask you a question. Since we are this morning investigating authors and the effect that their publications have upon the public in general and it has been alleged that TV and radio have also been used for those purposes to a great extent, especially by such foundations as Facts Forum that is backed, it is alleged, by Mr. Hunt, down in Texas, I was wondering whether or not if such allegations are true, that we intend in these hearings to investigate those foundations also?

The CHAIRMAN. The preliminary study has been made of a great number of foundations to determine the general character of their operations and a considerable number of them will be called, and there is no indisposition on the part of the staff, so far as I know, for the chairman to have the representative of the Hunt Foundation appear before the committee. As a matter of fact, I had a telegram from the man who handles the Facts Forum programs stating that they would like to appear.

Mr. HAYS. In that connection, we discussed yesterday, Mr. Wormser, about getting a series of their scripts of their radio program.

Mr. KOCH. Yes, we are going to get them for you.

Mrs. PFOST. I had not been brought up to date on this.

Mr. HAYS. That was late yesterday afternoon, and I did not know whether the staff had done anything at all. I want to make it clear as long as they bring in people on their television show and make it perfectly clear this is John Doe and Richard Roe or somebody else and that what he says is his opinion, that is one thing; I have no objection to that.

There are a lot of programs that do that, and a lot of people that think they are all right, and some they think are not. That is America. The program I am interested in is where they purport to give both side of the thing themselves. One man says I will give you the pros and cons. The radio program is what I am particularly interested in, and those are the scripts I want to get hold of.

Mr. WORMSER. You want to see the scripts before we bring them on.

Mr. HAYS. Definitely.

The CHAIRMAN. The committee will stand in recess until 2 o'clock this afternoon in this same room.

(Thereupon at 11:55 a. m., a recess was taken until 2 p. m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

Professor Hobbs, you may proceed.

TESTIMONY OF DR. A. H. HOBBS, ASSISTANT PROFESSOR OF SOCIOLOGY, UNIVERSITY OF PENNSYLVANIA—Resumed

The CHAIRMAN. The oath that was administered earlier is continued.

Dr. HOBBS. I should like to go back and complete a quotation which I started this morning. Another quotation which I am quoting to illustrate——

The CHAIRMAN. Professor, will you please keep in mind that we do not have the amplifiers this afternoon?

Dr. HOBBS. Yes, sir.

This is another quotation which is designed to show the attempt to identify social science as being identical or at least very similar to physical science. I quote from Stuart Chase again:

> This book is an attempt to explore the possibility of applying the scientific method which has proved so successful in problems of matter and energy to the problems of human relations. The methods in use by many leaders and statesmen today leave something to be desired. Are there any more dependable ways to promote well-being and survival?

The implication there is that through this scientific method you can supplant or at least add to the methods used by statesmen.

Another quotation to the same effect:

> Social science might be defined on a high level as the application of the scientific method to the study of human relations. What do we know about those relations that is dependable? The "wisdom of the ages" obviously is not good enough as the state of the postwar world bears eloquent witness.

Another one to the same effect:

> The scientific method does not tell us how things ought to behave but how they do behave. Clearly, there is no reason why the method should not be applied to the behavior of men as well as to the behavior of electrons.

All through this, if I may interject, giving the reader the impression that these two methods are the same. The quotation continues:

There are social experiments and physical experiments, and the scientific method can be used most advantageously in both.

I would like to interject again, there are social experiments and there are physical experiments, but I would like to point out in the physical experiments you are dealing with electrons and things of that type. With the social experiments you are dealing with human beings and it makes quite a different situation.

On the level we are discussing, there is no difference between social science and natural science. On this level, we define social science once more as the use of the scientific method to solve the questions of human relations. Science—

and the word "science" is in quotes—

goes with the method, not with the subject matter.

I wanted to establish that in Mr. Chase's book, which was sponsored and in which he was assisted by members of the foundations, the definite implication was made repeatedly to give the readers the impression that there was no substantial difference between social science and natural science. As for the ideas in this book, I would say further that there is not a balanced presentation of ideas.

There is, for example, stress on cultural determinism. Cultural determinism is the notion which is fostered in much of social science that what you do, what you are, what you believe, is determined by the culture. The implication of that is that man is essentially a puppet of the culture. A further implication would be since he is a puppet he is to be given neither blame nor credit for what he does.

I cite these things to indicate how these ideas can spread out and have very significant implications.

Mr. Chase stresses the cultural concept throughout the book. I will just cite 1 or 2 instances of this:

Finally, the culture concept gives us hope that many of our problems can be solved. If people are bad by virtue of their "blood," or their genes or their innate characters, there would not be much we could do about it, but if people are basically all right, and the problem lies primarily in an adjustment of culture patterns, or to culture patterns, perhaps a great deal can be done about it.

That is, you get the idea that by manipulating society, you can change not only the society, but change the people within the society. This is the concept of cultural determinism. It has been fostered primarily by a number of cultural anthropologists. The most influential book in this area is Ruth Benedict's Patterns of Culture.

Mr. HAYS. Doctor, do you think there is no validity whatsoever in that theory?

Dr. HOBBS. Sir, it is not a matter of there being no validity whatsoever. It is a matter of a theory of this type being presented to the public with the weight of the foundations behind it, as though it were the scientifically proved fact. In that context, it is not correct.

Mr. HAYS. But I am not so sure that anyone reading those paragraphs that you have read would get that implication. I don't think that I would if I were directed into it. I mean, let's use a more simple example: Say a couple with an infant were in the jungles of Africa, somewhere, and something happened and the father and mother were killed, and this child was brought up by an uncivilized tribe. It

would certainly react the same way the uncivilized tribe would, in general, wouldn't it? I mean, it wouldn't react as a member of our civilization.

Dr. HOBBS. Sir, we have had those examples in social-science textbooks for many, many years. Children purportedly—and these are offered, too, as scientific evidence—purportedly raised by wolves, purportedly raised by swine, and you may remember the Gazelle Boy.

Mr. HAYS. Let's not change my example.

Dr. HOBBS. Would the culture affect him?

Mr. HAYS. What was that?

Dr. HOBBS. Is the question, "Does the culture affect you?"

The answer is obviously, "Yes." The question is not, "Does the culture affect you?" however, the question is, "Does the culture determine without you having any control over that determination, your behavior, your attitudes, your ideals, your sentiments, your beliefs?" It is the difference, sir, between the culture affecting you, which it certainly does, that is obvious, and the question: "Does culture determine your behavior?"

Mr. HAYS. In other words, we are talking about a degree.

Dr. HOBBS. A matter of degree; yes, sir.

Mr. HAYS. Well, I don't know whether we can ever determine anything much there or not. As you said earlier, you might argue until doomsday about the degree of it.

Dr. HOBBS. Yes, sir. But this is cultural determinism. The context of the Chase book is cultural determinism, not cultural influence.

The CHAIRMAN. However, from the list of books which you read, which have been sponsored by foundations and some members of the foundation staffs had collaborated on the books, I rather gathered the impression that possibly the preponderance of the books which had been sponsored and curried by the foundations, were promulgating the theory along the lines that you have advanced here.

Dr. HOBBS. The ones which have been most highly publicized and pushed stronger than the others.

Now and again, you will find publications of the foundations on the other side. But they are ones that are few—not necessarily few, but so far as the public is concerned they do not come in contact with those.

Mr. HAYS. Going back to the chairman's statement, he said that of all the books whose titles you have read—as I followed you very intently, you have just discussed two books; is that correct?

Dr. HOBBS. Yes, sir. I have taken up two volumes of Kinsey and this Chase book.

Mr. HAYS. Actually 2, volumes I and II of Kinsey, and 1 by another author.

Dr. HOBBS. Yes, sir.

Mr. HAYS. And all two of them do what the chairman said.

Dr. HOBBS. Yes, sir. These ones that I have taken up, yes, sir.

I may have misunderstood your question.

The CHAIRMAN. I was thinking you had referred to another, that you made a summary statement in the very beginning and referred to some other books.

Dr. HOBBS. I will, yes, sir, refer to another book which was actually four volumes.

The CHAIRMAN. Very well. You may proceed.

Dr. HOBBS. This quotation continues:

Theoretically, a society could be completely made over in something like 15 years, the time it takes to inculcate a new culture into a rising crop of youngsters.

If I may interject again, you see it is stronger, merely, than cultural influence. It is the idea that you can take over society by changing the culture, change the entire society and the people in it.

Mr. HAYS. Don't you think you can do that to a significant extent?

Dr. HOBBS. George Orwell in a book called 1984 described how it could be done.

Mr. HAYS. Let's not talk about anything theoretical that he says could be done. Let's take the period from 1933 to 1945, we will say. That is only 12 years. A fellow by the name of Hitler pretty significantly changed the whole German concept of civilization, did he not, or did he?

Dr. HOBBS. It definitely was in that direction. But I would say a more nearly apt analogy even than the Hitler one would be the Russian one, where they have deliberately, apparently, used these techniques, these same techniques to change the minds, to brainwash, create the ideas and sentiments in their people.

Mr. HAYS. I agree with you about the Russian one.

Dr. HOBBS. Yes, sir.

Mr. HAYS. The reason I used Hitler was because he did a job in a lesser amount of time, even, than the Russians did. Prior to 1933 he was considered to be more or less a clown and a boob, and so on, whoever you happened to be talking to you heard, "He isn't going to amount to anything." And certainly by legal means, of course, legal German means, he became the head of the state. And almost overnight you had the Hitler Youth and all of those, and you had a militant concept built up there that Germany was to rule the world, and you had all of these youngsters brainwashed and believing it as the Russians are doing with theirs.

Dr. HOBBS. It definitely was in that direction. But I would say that the Russians, and now they passed it on to the Chinese, have developed these tchniques to a much more effective level. It, again, is a matter of degree, but I think they developed them to a very highly effective level.

Mr. HAYS. Well, I wouldn't want to argue that point with you. I don't know whether their techniques are more effective than Hitler's or not. To me, as far as I am personally concerned, and this predates this investigation by a good many years—as a matter of fact, I was a little bit unpopular back in the early 1940's, when I said that to me there was no difference between Stalin and Hitler and their philosophies except the difference, perhaps, in title. One of them called it National Socialism and the other called it communism. But their aims and ultimate objectives and ultimate conclusions were about identical. I mean, they did about the same things to the people who lived under them and to the people they conquered.

Dr. HOBBS. Personally, I feel that the Communists have more effective techniques. The techniques are along these social science lines, so called.

Mr. HAYS. They have had a longer time to develop them.

Dr. HOBBS. They have done within their context pretty well.

The CHAIRMAN. But when you see a pattern or what appears to be a pattern developing, to develop the people along the same lines that gave this result in Russia, not only Russia and Germany, but a number of other countries can be cited, also, it gives cause for concern. I assume that is the basis of the concern which you are expressing——

Dr. HOBBS. Yes, sir; exactly.

The CHAIRMAN. Of what you fear is going on as a result of your observations that you have made.

Dr. HOBBS. It is definitely along those lines; yes, sir.

Mr. HAYS. Are you connecting this book, then, definitely with the Communist concept of brainwashing and saying that is happening here?

Dr. HOBBS. In some of these techniques, particularly the psychoanalytic technique, there are disturbing similarities in the approach, which if you read for example a book by Edward Hunter, Brainwashing in Red China, you find a series of disturbing similarities between the situation—not the situation as it exists now—but the direction we seem to be going in.

Mr. HAYS. Are you disturbed at all by the brainwashing that Secretary Stevens got for 14 days, and do you see any similarity to this thing?

Dr. HOBBS. I would say there is certainly a difference in the technique and the finesse.

Mr. HAYS. I will go along with the finesse. But I can't say that I see much difference in the technique.

Dr. HOBBS (reading):

> But such a theory assumes that parents, nurses, teachers, have all been reeducated themselves, ready for the inculcating task which, as Euclid used to say, is absurd. But it helps, I think, to know that the trouble does not all come from an erring and variant human nature; it comes mostly from culture patterns, built into the plastic human nervous system.

He goes on with the heading:

> Prepare now for a surprising universal. Individual talent is too sporadic and unpredictable to be allowed any important part in the organization of society. Social systems which endure are built on the average person who can be trained to occupy any position adequately if not brilliantly.

All of this, of course, goes back to Pavlov's dog, which he conditioned and then described his theory of conditioned reflexes. Then it leads into John B. Watson's theories of behaviorism, which were popular in the 1920's, which lead mothers to raise their children on a stopwatch schedule, afraid to pick their babies up if they cried. This was the science of that time.

Mr. HAYS. Doctor, right there I want to agree with you about that. I remember that era pretty well. And I suppose that had Congress been so unoccupied at that time that it did not have anything better to do, it could have investigated that thing in the 1920's, but we sort of outgrew it, didn't we? I mean, we got over it. I mean, I lived through it and you lived through it, I guess. I didn't mean that to be funny. I am assuming you are old enough to have lived through it.

Dr. HOBBS. Sure.

The CHAIRMAN. May I interject?

Mr. HAYS. Surely, go ahead.

The CHAIRMAN. It isn't the mere fact that this occurs, if it does occur, that disturbs me, but it is the fact that the foundations, and

there are some 6 to 7,000 of them in the United States, with a good many billions of dollars, 90 percent of the income of which is there because the Government, the people who pay the taxes, have foregone taxes on that income. That is, in effect, Government money. And it isn't the fact that a large percentage of the income of these foundations might be used to promote a certain ideology or certain line of culture or certain line of thinking which leads to the result which you have discussed in your exchange with Congressman Hays, but if any considerable amount of the funds of the foundations accumulated as a result of the sacrifices of the people should be used to that end, that, to me, is disturbing. As I understand it, that is one of the purposes of the committee, to find out whether that is being done, and the extent to which it is being done.

To my mind it is a very, very serious question. At the rate which the foundations have multiplied in the last few years as a result of our tax, not only our tax structure but the size of our tax levies, it is only reasonable to assume, looking only a very short way into the future, that a very substantial part of the wealth of the United States is going to be found in these tax-exempt foundations. Therefore, the public has an increasingly great interest, not only in the mere establishment of the taxation, but more importantly in its responsibility to see that the money from the foundations is not used for a purpose that is violative of the principles of government in which we believe and in which the Government itself devotes its interests in maintaining.

That isn't a question, it is just more or less expatiating, I presume, giving the basis for my interest and concern in this question.

Mr. HAYS. Is that the end of your statement?

The CHAIRMAN. That is the end for the time being. You may proceed if there are no other comments.

Mr. HAYS. Let me say this, that of course the public has a right to know what is being done with this tax-exempt money, but it seems to me, to use an old saying that is extant in my section of the country, that maybe we should not try to make a mountain out of a molehill.

As I recall Mr. Dodd's testimony, and I could not find the exact quotation in a hurry so I hesitate to use a figure, but I think he said something like 80 percent—or at least in excess of that—of these foundations had done grand work and that 90 percent of them had devoted practically all of their resources to cancer research and to various things like that.

If you will permit me to digress here, one of the people in the world that I have never been very fond of is Mr. Bevan, the former Health Minister of Great Britain; but I never have forgotten a thing that he said to a member of a congressional committee who was querying him in London one time. I happened to be there not as a member of the committee but as a guest.

They were talking about the British health scheme, or he was, and this member from the Midwest said, "Well, Mr. Minister, are the British people thoroughly satisfied with this health scheme?" and Mr. Bevan very quickly replied, "Until such time as medical science is able to confer immortality upon mankind, they will never be satisfied with any health plan."

That illustrates what I am driving at. Until such time as human beings become perfect, if we accept the doctor's premise that this particular book is bad and money should never have been granted, that is

his opinion, and maybe that of many others. If it is a mistake, just say it is a mistake. You cannot expect these foundations not to make any mistakes, and you cannot expect them to channel all of their funds into projects which would be approved, shall we say, by the Chicago Tribune or somebody who believes along that line. There are liable to be differences about it.

Mrs. FROST. Mr. Chairman, I would like to ask Dr. Hobbs what he thinks the percentage of money coming from foundations that is going into the type of books that you are speaking about, in comparison to the other extreme.

Dr. HOBBS. I would not know.

Mrs. FROST. You have no idea?

Dr. HOBBS. No.

Mrs. FROST. In other words, you are simply basing your testimony entirely upon two or three books that have been furthered, that the research has been paid for, by the foundations, and you are centering your testimony entirely upon that?

Dr. HOBBS. Yes. But it is more, I think more important than that, in that these are the books, and these types of books are the ones which reach a much wider audience than the vast majority of works sponsored and published by the foundations, that these are in a sense the crucial ones, and these, with few, if any exceptions, these crucial ones, are all in the same general direction.

So it is not a matter of counting the number of publications, nor is it even a matter of finding the percentage of money spent on one or the other. The issue, as I am trying to frame it here, is in what areas is the public most widely and significantly influenced by foundation-supported work in the social sciences?

Mr. HAYS. I was just going to ask you in view of the last statement, is there some reason why this type of books get wider circulation?

Dr. HOBBS. Well, to answer in terms of the Kinsey report, there is an obvious reason. Sex is interesting. The proper study of mankind, Stuart Chase's book—your question would be: "Why would this get more publicity and more circulation than most other studies?"

Well, Stuart Chase is an excellent writer and it was highly publicized as being backed by the foundations and so on. It was put in the area of a trade book rather than of a specific piece of research.

Mr. HAYS. What is the title of your volume?

Dr. HOBBS. Social Problems and Scientism.

Mr. HAYS. Social Problems and Scientism?

Dr. HOBBS. Yes, sir.

Mr. HAYS Now, suppose the average man walks into a bookstore, and I guess not many of them do any more since television, not as many perhaps as we would like to have, and he sees two books on the shelves, one of them is Social Problems and Scientism and the other is Sexual Behavior of the Human Male, and he happens to pick up the latter one. Do you attach any special significance to that?

Dr. HOBBS. I would say it would be most unusual if he would make the other choice.

Mr. HAYS. I think that is a good answer. I think you and I are in perfect agreement.

In other words, if what you wanted to do primarily in your book—and I am not sure it wasn't, I am trying not to put you in a bad light—

if what you primarily wanted to do was to sell your book, you would have left that very forbidding word "scientism" off the end of it and found some other title, would you not?

Dr. HOBBS. If I wanted to popularize it?

Mr. HAYS. Yes.

Dr. HOBBS. Of course I would have given it a popular title, something that sounded good.

Mr. HAYS. And that might have more to do with reaching a wider audience than any other one thing, than the contents of it ever would; wouldn't it?

Dr. HOBBS. Of course, on some books the title has an appreciable influence on the sales, I would guess.

Mr. HAYS. I wouldn't say I would approve of that, but I would think from what little knowledge I have of the book-selling business it is that they do deliberately set out to get eyecatching titles to sell the books.

Dr. HOBBS. I would think so.

Mr. HAYS. And if the people are influenced by that and they don't like the book, well they have made a bad investment.

The CHAIRMAN. I won't want to take additional time, but in regard to the mountain and the molehill, we can do something about the molehills, but sometimes it becomes very difficult to do anything about the mountain. The illustration that you earlier gave, in Germany it was the molehill, was disregarded.

Mr. HAYS. I don't agree with that at all. I say it was a mountain.

The CHAIRMAN But it was not so recognized.

Mr. HAYS. I recognized it as such. Maybe I was alone, but I thought so.

The CHAIRMAN. But the people there did not. But where we see defects, it would seem to me that it would be our responsibility to cure them.

Mrs. Pfost, your observation was very pertinent, but down home on the farm we make a great deal of cider. And one thing that we are always very careful about is picking all the bad apples before they are run through the cider mill because there might be only a very small percentage of bad apples run through that taints and has a tendency to destroy the whole product. I think in the course of some of these studies, it isn't the fact that the preponderance of the money is spent along certain lines, but it is that a sufficient amount is spent, and effectively so, so as to propagate a particular line of thinking that might be detrimental to the interests of our Government. But still we are just kind of discussing it among ourselves here, and I am willing to forego, after you make your observations.

Mr. HAYS. I think it is interesting. Out home in the cider season they pick out the wormy apples if they have time, but if they get rushed, they throw them all in and people buy it just the same. But I just wonder if you are insinuating that this bad book, or at least we will call it that, that the professor is talking about, could taint his book. It couldn't, could it?

The CHAIRMAN. I don't think it could taint his book, but I could think where it might spoil it in such a way as to reduce the interest in a sound way.

Mr. HAYS. Then we better investigate the publisher.

The CHAIRMAN. You may proceed.

Mr. HAYS. No, I have another question. I want to go back to the molehill and mountain deal. As I got your statement, you are saying 1 of 2 things: Either that nazism was a molehill or that the people did not recognize it for what it was. Which is it?

The CHAIRMAN. In the very beginning they did not recognize it for what it was, I think. They waited too long.

Mr. HAYS. Yes. Well, you and I are agreeing. And when they did recognize it for what it was, it had become a mountain then.

The CHAIRMAN. Yes. I was expressing agreement with your line of thinking. I was just developing it a little more.

Mr. WORMSER. Mr. Chairman, may I suggest to Dr. Hobbs that I think he ought to make clear, which I believe is the fact, that he does not intend merely to discuss 3 or 4 books as the only books in this area which have any unpleasant connotation to him. What he is really doing is giving them as illustrations, perhaps particularly sharp illustrations, of the use of what he calls scientism and its promotion by foundations. Please answer this yourself, Dr. Hobbs, but isn't your main thesis that what you call scientism widely promoted by foundations and that in itself has a deleterious effect on society?

Dr. HOBBS. The thesis is not in the book in relation to the foundations specifically, but I would say that, speaking in general terms, the thing which I call scientism is promoted in an appreciable measure by the foundations. And scientism has been described as a point of view, an idea, that science can solve all of the problems of mankind, that it can take the place of traditions, beliefs, religion, and it is in the direction of that type of thing that so much of the material in the social sciences is pointed. I am not saying that we have reached that, or that many would come out blatantly and say that now that can or should be done. But it seems to me, and I may be wrong, but it does seem to me that we are going in that direction, and it is time that we might take a little stock of it.

Mr. HAYS. How many copies of this particular book do you suppose have ever been sold?

Dr. HOBBS. Which book is that?

Mr. HAYS. The one by Stuart Chase that you are quoting from.

Dr. HOBBS. I don't know the sales. It was widely reviewed and advertised, publicized extensively, but sales figures I don't have.

Mr. HAYS. Would you be remotely acquainted at all with the works of Mickey Spillane?

Dr. HOBBS. Yes, sir; I am.

Mr. HAYS. Do you think Stuart Chase or Mickey Spillane has done more damage to America?

Dr. HOBBS. That is in another area.

Mr. HAYS. Well, of course, any other book except this one would probably be in a little different area.

Dr. HOBBS. No; I am confining this to the influence of social science. Mr. Spillane, I think, does not pretend to be a social scientist.

Mr. HAYS. I don't know what he pretends to be; but I would say that he is having some sort of an effect on social science, at least on social behavior, and even perhaps a more serious effect than Chase is having, and I wouldn't be surprised that he has had as much effect or more than Kinsey, because I expect more people have read his books.

Dr. HOBBS. I expect they have.

Mr. HAYS. And even a far more vicious effect, in my mind, would be coming from some of these horror comic books that are widely distributed.

Dr. HOBBS. That may be. The context in which I place this, though, is in the influence of science or social science on these things. For example, a novel by Philip Wylie called Opus 21 came out, based in large measure on the Kinsey findings, and the theme, briefly, was in outline that the protagonist of the novel meets a girl who is sitting in a New York saloon, sitting there reading the Kinsey book. And the protagonist——

Mr. HAYS. That is definitely fiction, is it not?

Dr. HOBBS. Yes, sir. The protagonist tries to find out what is on her mind——

Mr. HAYS. I would say they had stupid characters in that book. I mean, you have painted a picture there. He wouldn't have to try to very hard, would he?

Dr. HOBBS. Then the theme develops that what happened was that she found out that her husband was homosexual, and she had left him because he was homosexual. Then throughout the remainder of the book this protagonist is explaining to her that science, in this case Kinsey, has proved that homosexuality is normal and that she is the abnormal one for leaving him. And finally the protagonist convinces her of this, so whereupon she forms a homosexual alliance herself and returns to her homosexual husband and presumably they live happily ever after. It is in this way that what starts out as being science or social science spreads out into popular literature.

Mr. HAYS. Would you mind telling me how you came to read that book?

Dr. HOBBS. I forget the exact circumstances. I read pretty widely. I read a lot of books.

Mr. HAYS. I was wondering if it was in connection with the research on Kinsey. I am not being a bit facetious when I say this—maybe I am too conservative and too archaic and too far behind the times, but I cannot imagine very many people wasting their time to read that kind of stuff.

Dr. HOBBS. If I may continue, the cultural deterministic theme is then tied in with the cultural lag, the cultural lag hypothesis, and briefly the cultural lag hypothesis is that the technology has advanced very greatly, but that our ideas, our beliefs, our traditions, have not kept pace with it. Therefore, there is a lag between the technological advance and the culture, and the implication is that the beliefs, ideas, sentiments and so on, about the family, the church, about government, should be brought up to date with the technology, which superficially sounds reasonable enough, except when you begin to analyze it it really settles down to being in the first place, a nonscientific notion, because two things being compared are not commensurable, that is, they have not been reduced to any common denominator by which you can measure the relative rates of change in between them.

Mr. HAYS. I hate to keep interrupting you here, but I can't help wondering about one thing, and I would like to know the answer, if there is any way of knowing it. We are spending a lot of time on the book of Mr. Chase, and I would like to know how widely that thing was printed and circulated.

If hardly anybody read it, it couldn't have had much influence. Mr. Wormser, is there any way we can get the distribution of that, how many thousands or hundreds or millions of copies of it there were?

Mr. WORMSER. I can find out for you, sir.

Mr. HAYS. People in this audience are probably all people who are interested in this, or they would not be here. I wonder if anyone in the room has read it besides Dr. Hobbs. I never heard of it until this morning.

The CHAIRMAN. In addition to the circulation of the book, am I right that earlier you referred to other publications that quoted excerpts, pertinent excerpts, from the book, in advancing certain thoughts?

Dr. HOBBS. I don't believe, sir, that I did relate to that, no, sir.

Mr. HAYS. You might have mentioned book reviews, or reviews in say the New York Times book magazine, or something. Probably there was one, I suppose, was there not?

Dr. HOBBS. Yes, sir.

Mr. HAYS. But unless you were specifically interested in either Mr. Chase or the subject, you probably wouldn't even read that.

Dr. HOBBS. Or the foundations, sir.

Mr. HAYS. Yes.

Dr. HOBBS. Then this cultural lag notion has the implication that we should keep religion up to date, and patriotic sentiments, ideas about marriage and the family.

Well, if you do this, of course by implication to take an extreme illustration, then you would have to modify your religion every time there was a significant technological change with automobiles or airplanes, things of that sort, which would give you of course a great deal of lack of permanence.

The cultural lag theory has appeared in many if not most of the sociology textbooks with the implication that we should abandon the traditional forms of belief about the family and religion. Inescapably that tends to be the implication. The way Stuart Chase puts it:

> The cultural concept dissolves old ideologies and eternal varities but gives us something more solid to stand on, or so it seems to me. Prediction takes shape, the door to the future opens, and light comes through. Not much yet, but enough to shrivel many intellectual quacks, oververbalized seers and theorists, whose theories cannot be verified.

At the very time he is talking about a theory which cannot be verified. Then I will just mention one thing that is stressed in Mr. Chase's book, and that is the belief is stressed that the polls, opinion polls, had been scientifically verified and that they could and should be used by the general public.

Mr. HAYS. Doctor, right there a lot of people have tried to sell that idea before. I remember a magazine one time that had a wide circulation predicated on the belief that its poll was exact. I think the name of it was Literary Digest.

Dr. HOBBS. Yes, sir.

Mr. HAYS. It died a very abrupt death after 1936.

Dr. HOBBS. The significance here, sir, is that this opinion and belief did not die. Because it still has the prestige of science to verify it.

Mr. HAYS. You mean in the validity of polls?

Dr. HOBBS. Yes, sir.

Mr. HAYS. I don't agree with that. I don't take too much stock of polls. I vividly remember the Gallup mistake in 1948.

He probably will make some more. I don't consider myself to be a superintelligent citizen. I think polls are maybe able to indicate a trend, but you couldn't rely on them as being absolutely factual and something you could never doubt for a minute and I don't think very many other people will.

Dr. HOBBS. The point I am trying to make, sir, is that with the prestige of science behind a thing like polling, you could get to the point where they would be substituted for elections and things like that. Mr. Chase cites examples of that tendency in a highly approving fashion. This was written just prior to the election results of 1948. Just suppose for a minute that we had accepted this so-called science and abandoned the election of 1948 and taken the word of the pollsters.

Mr. HAYS. As long as you have skeptics like me, it would never do that. I refuse to accept the validity of the Gallup poll, and that is why I am here today. I came down here in the 1948 Dewey landslide.

Dr. HOBBS. Suppose it had been based on a poll instead of an election. The results might be quite different.

Mr. HAYS. I think you are predicating something there on a foolish assumption. I don't think we will ever substitute polls for elections. At least, you will never get the politicians to agree.

Dr. HOBBS. Mr. Chase cites the desirability of this polling technique and illustrations of where it is being used by another social scientist, who also wrote a book along the same lines, George Lunberg—Can Science Save Us?—and cites Lunberg as using the polls in actual practice. He quotes here:

There is no limit to the future of the technique—

That is the polling technique—

on this front.

That is, measuring political attitudes and beliefs.

Mr. HAYS. He apparently never heard about this fellow who ran for sheriff. Is that in your State, Mr. Reece? He said he shook 9,000 hands, kissed two hundred-and-some babies, traveled 9,000 miles and got only 243 votes. His poll didn't turn out so well. He thought he was going to win.

Dr. HOBBS. The difference in all of this is that these are presented as being scientific and the prestige of science is that there is more of a tendency to accept these than to accept other techniques. [Reading:]

Then, as the elections of 1948 changed the conclusions to be drawn from the foregoing two chapters, clearly Presidential polling is no exact science.

That is, the results have come out and conflicted with the results of especially the Gallup and Roper polls. So Mr. Chase had to back up, backpeddle quite a bit on this.

Mr. HAYS. At least, we give him credit for admitting he was wrong.

Dr. HOBBS. He could do little else at that point. It was such a fiasco:

Does 1948 wrong prediction mean the downfall of the present elections as the downfall in 1936 caused the downfall of the Literary Digest? Does it mean as some critics declare that sampling theory itself is suspect and science can never be applied to human affairs? Certainly not—

He answers his own question—

One error or a hundred errors cannot invalidate the scientific method.

There you have a glimpse, a glimmer, of the type of, you might say, arrogance that this supposed scientific method, which, I repeat and emphasize, is not scientific, will and can, no matter what the errors are, no matter what the mistakes are, will be foisted, pushed on the public scene, whereas with the Literary Digest you gage it in the terms of commercial appeal, and after the failure in 1936, it folds up as a magazine. But this type of thing continues. It not only continues but it expands.

Mr. HAYS. There was one difference between Dr. Gallup's mistake and the Literary Digest, wasn't there? Dr. Gallup made a slight mistake of a few percentage points, but they had Landon winning by 36 or 40 States, whereas he actually carried only 2.

Dr. HOBBS. His percentage figures are a matter of statistical manipulation. I could go into that in some detail. The actual error is appreciably greater than you would be led to believe by the statements of Dr. Gallup. But that would be a statistical matter which is not particularly germane. In this book, in summary, you have throughout it, among other things, this characteristic emphasis on cultural determinism, cultural relativity, the idea that if you find a primitive group which permits wife lending, then, by implication, that is all right for us, too, and emphasis on Kinsey throughout the book as having now discovered the scientific facts about sex, and the emphasis on cultural lag that we should jettison older beliefs and bring all our beliefs up to the latest advances in technology.

In one section in the book, you do get a balanced presentation. This is the section dealing with economics. Mr. Chase knows the field of economics much more, much better, than he knows these other fields. So when it came to economics, there he admitted that economics was not a science, and he cited, as I recall it, 155 erroneous, seriously erroneous, economic predictions to show that economics was not a science. My feeling in reading the book was this, that if Mr. Chase knew that about his own field, and if he were relying as he says he was, and as the book indicates, if he were relying on these experts from the foundations for the other areas, why didn't they warn him of the limitations in these other fields, sociology, anthropology, and so on, in the same way in which he himself knew of the limitations in economics.

It was certainly their responsibility, it would seem to me, to have emphasized these limitations rather than to give Mr. Chase the impression, and through him many other people the impression, that these areas are really scientific in the sense in which the term applies in physical science. The next and final book which I want to cite is actually in four volumes. The title is The American Soldier, a subtitle is Studies in Social Psychology in World War Two. It was prepared and edited under the auspices of a special committee of the Social Science Research Council, published by the Princeton University Press in 1949 and 1950. I will give you some of the background of this.

In this, I want to cite it as an illustration of the influence of supposed social science on military policy at a high level and, furthermore, that this influence was, according to the book itself which, remember, was written by persons favorable to the effects which the social scientist brought about. Even in this type of presentation, there is a definite and repeated evidence that the military, with what turned out to be excellent reasons, struggled against this thing right

down the line, and the social scientists were able to overwhelm them, were able to incorporate their own ideas in a matter of highest military significance against the opposition of the military of the United States.

Mr. HAYS. What did they do against the will of the military?

Dr. HOBBS. Well, may I develop it? I will bring that out, what seems to me to be the crucial point here.

The Research Branch was officially established in October 1941, within what was known, successively, as the Morale Division, Special Services Division, and Information and Education Division. Here is one of the indications of the resistance of the military in purely military matters. Earlier efforts to set up such machinery within the Army had been blocked by a directive from the Secretary of War, which said:

> Our Army must be a cohesive unit, with a definite purpose shared by all. Such an Army can be built only by the responsible effort of all of its members, commissioned and enlisted. An anonymous opinion, or criticism, good or bad, is destructive in its effect on a military organization, where accepted responsibility on the part of every individual is fundamental. It is therefore directed that because of their anonymous nature, polls will not be permitted among the personnel of the Army of the United States.

Mr. HAYS. Does that make it right because the Secretary said that?

Dr. HOBBS. No, sir. It does not make it wrong, either.

Mr. HAYS. One time he issued a letter that a soldier could not write a letter to his Congressman. But the Congress sort of changed his mind about that. I would say from my experience with the Army, it is very difficult to inculcate them with any idea. They resist anything in the way of change. They resisted the use of air power.

You will remember they made one man in this country die of a broken heart. Of course, he was right all along. The Navy right now is resisting the abandoning of battleships. Of course, they are nice ships, I have been on them and all of that, but they don't have much value any more in war. But they are still using them. The very fact that the Army resisted them does not mean much to me. I do not know what they resisted, but whatever it was that is their usual procedure.

Dr. HOBBS. May I please develop this point?

> The full story of how the War Department changed from a position of flat opposition to such research to one in which it would use such research not only for internal planning but as justification to the American people for such a vital program as its demobilization system should someday make instructive reading.

That is a quote from volume 1 of the American Soldier. I would say it certainly should make interesting reading.

> Many factors converge to make possible the establishment of the Research Branch, not the least of which was the character and personality of the new Director of the Morale Division, directly commissioned from civilian life, Brig. Gen. Frederick H. Osborne, later major general. He was a businessman who was also the author of two volumes on social science. In spite of General Osborne's personal prestige, his persuasive skill, which had served him so well in business, and his deep sincerity, there were times when even these assets might have availed little against occasional opposition at intermediate echelons, had not General Marshall unequivocably, supported the strange, new program.

Mr. HAYS. Doctor, I think before you start accusing General Marshall or anybody else——

Dr. HOBBS. I have accused General Marshall of nothing, sir, I have quoted from the book.

Mr. HAYS. What is your strange new program? Is it fair to ask you that?

Dr. HOBBS. That is what they term it, not me.

Mr. HAYS. What is it?

Dr. HOBBS. It was a program of taking opinion polls to determine military decisions.

Mr. HAYS. Do you mean the last war was run on opinion polls?

Dr. HOBBS. It would have been run to a much greater degree——

Mr. HAYS. I think Eisenhower ought to resign, then, because I think he got elected on the grounds that he ran the war. He made his reputation on that. If it was run on polls, then we have been under a lot of misapprehension.

Dr. HOBBS. I quote again from the book:

A major purpose of the research staff was to provide a basis of factual knowledge.

I will interject. When they say "factual knowledge," they mean knowledge based upon opinion polls, which are much more fallacious than political polls, which involve merely the choice of a candidate.

Factual knowledge which would help the director of the Army Information and Education Division in his administrative and policy decisions. This purpose was abundantly fulfilled. Without research, we would have too often been working in the dark. With research, we knew our course and were able to defend it before Congress and the press. Further, we made a remarkable discovery. The Army gave little weight to our personal opinions, but when these opinions were supported by factual studies—

and, again, if I may interject, these are not factual studies, they are opinion studies—

the Army took them seriously—

and here, again, you get the influence which, in some cases, may be good, but in other cases could be very disastrous due to the aura of science which surrounds this type of investigation.

For the first time on such a scale, the attempt to direct human behavior was in part, at least, based on scientific evidence. If this method could be developed and more widely used, it might provide further impetus for a great advance in the social relations of man. To that hope, these volumes are dedicated.

The main thing, these polls went into many, many aspects of behavior in the military, but the one thing I would like to concentrate on is the point system of discharge, the system by means of which the military forces of the United States were demobilized at the end of World War II, demobilized in rapid, and in the perspective of history, chaotic fashion.

Mr. HAYS. You know something right there, there was a cause for demobilization more than any poll, speech on the floor of this House, or numerous speeches, but I am thinking of one, in which a Member of Congress who now holds a very high position in the Armed Services Committee, who was not satisfied with getting the men demobilized by bringing them home on the *Queen Mary*, but he wanted to fly them home. That is in the Congressional Record. I am not going to drop his name into the hearings, I do not want to embarrass him. But most anybody could learn who it was. I say to you advisedly, sir, that speeches such as that had much more to do with demobilizing than any opinion polls, or private opinion polls, or Army opinion polls they took. The pressure of the American people back home was American democracy, and perhaps I might say that some Members of the Con-

gress yielded to that to the extent of doing a little "demagoging" on the subject, thinking that was a popular viewpoint. Maybe you and I think it is bad, but I don't think we are going to change it.

Dr. HOBBS. Exactly.

Mr. HAYS. One other question right there. I am trying to be very friendly. I do not mean to embarrass you. You do not mean to infer, and I am afraid that maybe some might have gotten the inference from a question that I asked, you do not mean to infer that they took a poll on whether they should invade through the soft underbelly or across the channel, do you, or what day the invasion should go across, and so on?

Dr. HOBBS. Well, they admit that they were not able to do as many things as they wanted to do.

Mr. HAYS. That you think they might have liked to do?

Dr. HOBBS. Well, I don't know.

Mr. HAYS. You know that is a funny thing. In my limited experience with the Army, nobody ever asked me anything. They just told me. I might say, if I volunteered—I did once, and I got to dig latrines, so in all of my experience with it, they discouraged you from offering opinions.

Dr. HOBBS. Sir, there is an old Army precept that you violated when you volunteered.

Mr. HAYS. I know. That was the first day. They asked for people who could operate a typewriter. I stepped forward and he said, "Well, if you can run a typewriter, you ought to be able to handle a pick."

The CHAIRMAN. You may proceed now.

Dr. HOBBS. Here is some more background of this point system of discharge:

> In the course of a speech to the American people in 1944, President Roosevelt justified the Army's plans for demobilization at the end of the war on the grounds that the order of demobilization would be determined in terms of what the soldiers themselves wanted. The idea of a point system for demobilization had been conceived in the research branch and accepted by the War Department and the President. Representative samples of men throughout the world were queried and from their responses the variables of length of service, overseas duty, combat duty, and parenthood, emerged as most significant.

If I may interject, from these opinion polls, you can be very much misled about things like this, and in a matter so big, so important, it is extremely hazardous to use them, not that they don't have a use, or not that efforts should not be made to develop them as far as we can and so on, but as yet, certainly, it is very risky to use them in matters of this kind.

> The final weights assigned to these variables yielded point scores which have a close correspondence with the wishes of the maximum number of soldiers, even if it did not exactly reproduce these wishes.

And then they go on to say that the point system established the order not the rate of demobilization, and that is a questionable contention, because when you have given and publicized a notion of this kind, here, again, is an illustration of where the fact that you make the study can change the situation which you are studying. If you give members of the armed services the notion that they are to be and should be consulted on vital military policy, then this fact in

itself can create dissatisfaction, unrest, of the very type of thing which the Secretary previously had anticipated.

Mr. HAYS. Doctor, all of this is new to me, but did the foundations have anything to do with encouraging this point system in the Army? Did they get into this act in any way?

Dr. HOBB. The people involved were people who were previously, and most of them still are, very heavy recipients of foundation funds, and the foundations, as I indicated, the Social Science Research Council, did get this material at the end of the war, got the material declassified by the War Department and worked on it and then it was published through the—the various volumes were published through a series of authors, with the senior author being Prof. Samuel A. Stouffer.

Mr. HAYS. Are you challenging anything in there as to the validity of it? That is not a good way of phrasing. Are you challenging in your statement whether or not this did happen or did not happen? Are you challenging the theory behind it?

Dr. HOBBS. The theory. It did happen, as I am citing.

Mr. HAYS. In other words, if the book says so and it happened, about the only connection the foundations have is that they made it possible for that book to be published, is that right?

Dr. HOBBS. Not only made it possible to be published, but the influence, what I am pointing out here—the influence of this type of social science, what it can have and does have in this context, in the military, even in a military sphere.

Mr. HAYS. You do not think the point system was bad, do you?

Dr. HOBBS. I was in the service, too, and fortunately I had enough points to get out so at that time I thought it was good. Incidentally, I stayed in awhile longer but I was glad that under this I could have gotten out at an earlier date if I wanted to. But I made no pretense——

Mr. HAYS. As I remember it, the decision was made that we were going to demobilize and we were going to discharge a certain number of men. Now, what we come to is to find out which ones we keep and which ones we let go.

Dr. HOBBS. That was not a military decision. The military decision was quite different.

Mr. HAYS. Maybe the Congress made the decision, but somebody said you are going to discharge so many, right?

Dr. HOBBS. No, sir. The groups, the individuals, rather, who were discharged, and the nature of the entire demobilization program was, as I would like to point out, the result of this influence of social science rather than the result of military policy which opposed it.

Mr. HAYS. Doctor, you do not mean to tell me that if it had not been for this little group of social scientists, that we would not have demobilized?

Dr. HOBBS. In the manner in which we did, we would not.

Mr. HAYS. Never mind the manner.

Dr. HOBBS. I think that is of vital significance.

Mr. HAYS. I think we are quibbling over something that is not very important. I say to you that the American people urged on by certain demagogic speeches said, "We are going to tear this Army down; bring the boys home." That is what they wanted. The military was

confronted with the situation, "We are going to bring them home, and the politicians are going to say or make us say which ones we are going to bring first." Is that not what happened?

Dr. HOBBS. Which ones we are going to bring home first was determined by the point system.

Mr. HAYS. I think that is all to the good.

Dr. HOBBS. You may change your opinion, sir.

The CHAIRMAN. I was around here then, as I had been awhile before. I never felt any overwhelming demand from home for demobilization. I heard a lot about it since.

Mr. HAYS. I will refer you to a speech, and I will not mention his name, in which he said, "I don't want the boys sent home by ship; I think we ought to fly them home," and he is a good orator. You know who he is talking about.

The CHAIRMAN. I know who you are talking about.

Mr. HAYS. He said that, did he not? I was not here then, but I thought it was a good idea.

The CHAIRMAN. I never had any overwhelming demand from the folks back home.

Mr. HAYS. I do not know what you had, but my predecessor said that most of his mail consisted—and it was very heavy in letters from mothers, especially after V–E day—of when do we get the boys back.

Mr. WORMSER. May I again ask Dr. Hobbs to clarify something for Mr. Hays, namely, if I understand it correctly, that he is not discussing the desirability of demobilizing or not demobilizing. What he is discussing is essentially this, that instead of the military making the decisions to demobilize in such a way as to protect best the welfare of the United States, the decision was made under the influence of a group of social scientists, the decision on how the demobilization should take place, not the quantity but how, and that that decision might well have or it did fly in the face of military necessity. Is that correct, Dr. Hobbs?

Dr. HOBBS. Yes, sir.

Mr. HAYS. That is interesting and perhaps very true. I would like to hear more about it. In what way did it fly in the face of military necessity? Do you mean the fellows had been in for 6 years, they should have kept them because they knew more about it and let the boys who served only 90 days out, is that it?

Dr. HOBBS. May I describe that, please, from the book?

Mr. HAYS. Sure.

Dr. HOBBS. There were two schools of thought.

One school of thought which had particularly strong representation in Army Ground Forces tended to see the problem as one of preserving intact at all costs the combat fighting teams.

You see, they were thinking in military terms.

This meant discharging mainly service troops, limited servicemen, and soldiers not yet fully trained. Combat veterans, especially the experienced noncom's, were obviously the core of our magnificent fighting machine. Another school of thought, also arguing on the basis of military efficiency—

they say military efficiency here, but I don't know how they could justify it—

held that the men of longest service should be so disaffected by a policy which regarded the men who had made the least sacrifice that the morale of the combat teams would be as much endangered by retaining such men as by discharging some of them. Furthermore, they pointed out——

Mr. HAYS. Do you agree with that conclusion?

Dr. HOBBS. No, sir.

Mr. HAYS. You do not think the morale would have been affected at all?

Dr. HOBBS. It would have been affected some, but in relative terms of military strategy and policy, I do not think the effect would have been so great here as it would have been on the other side.

Mr. HAYS. Let me tell you something about that. I will give you the benefit of my experience. I was in Greece in 1949 with General Van Fleet for a few days. General Van Fleet went to Greece and took a disorganized, beaten, army, and in 2 years made man for man, I will say, one of the finest fighting forces the world has ever seen. But do you know what he told me his biggest problem was? They knew how to fight, but his biggest problem was morale because most of those men that he got a hold of had been in the Greek Army for 9 years, and their morale was shot to pieces because they had been fighting and lots of people back home had not been called upon to do anything more than run away from the Communists. And he said that that was his biggest problem. So that just is contrary to the theory that you say, is it not, it would not have affected morale?

Dr. HOBBS. I did not say, sir, that it would not have affected morale. The question here is which would have affected the military strength of the United States more, and that question, I would answer, the policy of the point system of discharge, in my opinion, which is certainly not a professional opinion, professional military opinion, in my opinion would have affected it more than the other.

Mr. HAYS. Doctor, I again want to say that you have a perfect right to your opinion, and it may very well be that your opinion is the correct one. I do not happen to agree with it. But that is one of the beautiful things about the democracy we have. Let me say further along that line, that it would have been probable in anything but a democracy, that the military would have been able to do whatever they wanted to do. But unfortunately, from their point of view, and I say this from my point of view fortunately, in a democracy, such as we have, even sometimes the will of the people can be made to have an influence on the military.

Dr. HOBBS. But, sir, this was not the will of the people.

Mr. HAYS. I disagree very vitally with you.

Dr. HOBBS. It may have been the will of the people that this happened, but the influencing factor, and this is what I am trying to stress, the influencing factor was not a balance such as it should be democratically, not a balance of conflicting opinions, but it was the influence of what was called social science.

Mr. HAYS. Well, I say to you that I was back in Ohio at that time, and it was the influence of the people back home. That is what it was. I do not think that they knew anything about social science or cared less, in the Army.

Dr. HOBBS. That is quite irrelevant.

Mr. HAYS. They just felt that the boys who had given the most or served the longest and who had been in there for the greatest length of time ought to come home first. Some who had not been and did not go, if they needed any more men, take them. That principle still applies today. We have pretty much of a rotation under the draft system, and I do not think you will disagree that that

is because the people want it that way. You know, the Army wanted universal military training, but they did not get it. Why didn't they get it? Because the Congress did not vote to give it to them. Why didn't the Congress vote to give it to them? Because a good many of them felt that if they did, they would not come back to Congress. It is just as simple as that. That is the way democracy makes itself felt.

Dr. HOBBS. On these issues, I am not pretending that I am right or you are wrong. That really is not involved.

Mr. HAYS. I am only putting these in in order to show that there are two sides to it. I certainly want to say right here and now that there is a side that you are presenting, and it certainly can be a valid one. In other words, I am saying there is plenty of room for argument, but the only reason I am interrupting you is so that the record will not show that we sit here and concur in these views which may or may not be yours, even.

Dr. HOBBS. That is quite proper.

The CHAIRMAN. I am assuming that my silence will not be construed as agreeing with everything you have to say.

Mr. HAYS. I cannot be responsible for anything that anybody construes about your silence. I would suggest that you just speak up. That is the way I do. Just because you think I am wrong, I will not get wrong.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. You may proceed.

Mr. HOBBS. Thank you. The book referred to two schools of thought. It continues:

Proponents of the first point of view—

that is, the military—

had an additional argument which has a special plausibility. If discharges were to be made on the basis of entire units, the Army would not be opened to charges of favoritism to individuals. If an individual's record were taken into account, there was too much chance of a scandal, particularly if the Army yielded to political pressure to discharge certain individuals or certain categories of individuals without respect to military needs. It was admitted that the replacement system had operated so that a given unit was likely to contain personnel with a very wide range of service and that a unit discharge would give new replacements in demobilized outfits a head start in civilian life over the combat veterans in outfits retained. But this was advanced as the lesser of two evils.

Then they describe the fact that they took the polls, and one poll was taken and as a result of that first poll the criteria for discharge, the basis for the point system, included length of time in the Army, age, overseas service, and dependency. Combat service was not included in the first poll. But in the first poll, they had left a place where the soldiers could write in things which they believed should be included in a discharge system, and one of the things which was written in frequently was the thought that combat experience should be weighted into the point system.

After studying the data of the type summarized in the tables 1 and 2, General Osborne decided to put all of the influence of the Information and Education Division behind a system which would: (a) establish priorities on an individual not a unit basis; and (b) take into account the explicit preferences of the soldiers themselves insofar as the latter was consistent with military necessity. On the basis of soldier preferences, the Information and Educational Division

recommended a point system which would take into account combat, measured by length of time in the combat zone and by number of Purple Hearts awarded, the number of months of overseas service, the number of children, and the length of time in the Army. After lengthy discussions, the War Department accepted the outlines of this proposal, leaving to a future date the setting of the exact number of points for each category and the method of determining such a factor as combat service. This decision was announced to the public in September 1944.

And again, if I may interject, once you publicize a thing like this, you create a different situation than the one which existed before.

It was decided that the actual points to be assigned would not be announced until after the surrender of Germany. Between September 1944 and the defeat of Germany, there followed several months in which there was much argument in the special planning division as to the assignment of points. The four factors, longevity in the Army, overseas service, combat and parenthood, had been publicly announced, but it was thought still possible by opponents of the plan—

and this is another instance where you see persistently the military for reasons which they had but which they could not publicly reveal, sensed or knew that we were going to run into a situation in Europe with one of our then allies, that is, R-u-s-s-i-a.

Mr. HAYS. Would you repeat that statement?

Dr. HOBBS. The indications are that the military knew or at least it sensed that there was a good likelihood of running into trouble with Russia at the end of the German war, but, however, at that time, we were allies with Russia. They could not publicize this. They had to keep it quiet. Yet it turns out they were right. They could have been wrong, but it turns out they were quite correct. Here is another group which probably knew nothing of this very important military matter, and, knowing nothing, they still insist and push and get this type of thing adopted.

Mr. HAYS. I am very interested in that statement, because I am just wondering whether it is valid or not. I do not give the military the benefit of that much foresight. I will tell you why. The military made the agreement with the Russians about Berlin, and about all of the matters of the ways to get in Berlin and what have you. The military also made the agreements with the Russians about Vienna. You probably know that we have never had any trouble about Vienna but we have had a lot of trouble about Berlin, for the simple reason that the group of military men who made the rules down at Vienna made one set of rules and there was another set of rules made up at Berlin.

The Russians have taken every advantage, as the Communists always do, to harass, to blockade, to do everything they could within the rules. I have been in both places a number of times since the war. Every time I go to Berlin, I go by the sufferance of the Communists. But if you go to Vienna, it is very clearly outlined that from the airfield to Vienna, the road is American property. There is no such outline about the road from the American zone to Berlin. That seems to be Russian property.

Dr. HOBBS. That is correct.

Mr. HAYS. Maybe the boys down at Vienna had some indications they were going to have trouble with Russia, or maybe if they were smart enough to have them, to do something about them, but apparently the boys in Berlin, if they felt that way, didn't take any precautions.

Dr. HOBBS. I guess the Russians considered Berlin for what it is, a much more important——

The CHAIRMAN. I do not think we ought to get into this question, but I am not sure that the military was the sole determining factor in the arrangements up around Berlin. I think that question might very well be left open.

Mr. HAYS. I made a statement there and I am standing on it. I said that they made the ground rules. I don't say they made the decision that we would pull back from here or pull back from there, but they in conference with the Russian high command made the ground rules. You do not need to take my word for it, you can go back and get the history and get the pictures of them having their parties together.

I don't know who did the job down at Vienna, but those unsung heroes certainly did a lot better job than was done up north.

The CHAIRMAN. You may proceed.

Professor Hobbs, before you begin, if I may, how much time do you think would be required for you to complete your statement?

Mr. HAYS. Without any interruption.

Dr. HOBBS. Without any interruptions, this material on the American soldier, maybe 15 minutes, and then there is another matter, a final matter which will come up which should take no longer than 5 or 10 minutes.

Mr. WORMSER. I have a few questions I would like to ask, myself, Mr. Chairman.

The CHAIRMAN. Would it be inconvenient for you to be here tomorrow?

Dr. HOBBS. No, sir. I have made arrangements in Philadelphia to be here on Thursday, so I could have gone back tonight but it would be no special hardship to stay over.

The CHAIRMAN. Why do we not run until 4 o'clock?

Mr. HAYS. Let him finish with this subject.

Dr. HOBBS (reading):

> It was thought still possible by opponents to the plan to obtain the benefit of claiming soldier endorsement and still manipulate the weights so that overseas service and combat service actually would count negligibly toward the total score. The Information and Education Division always recognizing that military necessity should come first—

Now, where they interject these matters of military necessity, and so on, I question that they really comprehended them in high degree, but that is a question—

> held that either the final points must have the effect of approximating the priorities desired by the majority of soldiers or else the reasons why this wasn't possible in terms of military necessity should be frankly admitted by the Army.

In other words, they pressed the military group, and if they had as their reason the possibility of Russian aggression and encroachment into European territories, such as actually did happen, if the military had that in mind, they could not publicly announce it because Russia at that time was an ally. And from a standpoint of both military policy and from a standpoint of diplomatic policy, it was just something that they could not do. Yet this group pushed them into a position where they had to do it or accept this point system of discharge which the military consistently opposed.

> To increase the combat credit, it was decided also to give five points for each decoration received, including the Purple Heart for wounds. This decision made at a time when it was thought that the Air Forces would be discharged on a

different basis from the rest of the Army, was to lead eventually to some feelings of injustice. When Air Forces were blanketed in under a uniform point system, the numerous decorations of flying personnel gave these men priorities which were particularly to be resented by veterans of ground combat.

There are two items there, one, that this is supposed to make particularly the ground combat men pleased and happy but it turns out that it makes them disgruntled and dissatisfied. The second is that when it is (probably in an unforeseen manner) applied to the Air Force, which was, of course, if you were to name at that stage and under those circumstances the one crucial unit of the military services, you would probably name the Air Force; when it was applied to them then it resulted in an extremely rapid, almost chaotic disbandment of the American Air Forces in Europe.

Among the combat veterans in the worldwide cross section there was a sharp difference of attitude as between Air Force veterans and ground force veterans. Among the former, whose point scores were inflated by numerous decorations, a third—

that is, this resulted in a situation where one-third of the personnel of the Air Force was immediately entitled to discharge under the point system which, obviously, disrupted the military value of the Air Force—

among the Air Force there was one-third that had 85 points or over, while among the latter—

that is the ground forces—

only one-ninth had 85 points or over. Incredible as it seemed at the time to many in the Information and Education Division, there was a strong sentiment within the War Department for eliminating combat credit entirely after V–J Day—

and again, as you learn throughout this, the military was attempting to preserve the power, the strategical military power of the United States, and in retrospect it certainly appears that they had good reasons for that decision. But again you get this group pushing them, preventing them from using military principles in a military situation, sacrificing such principles for what is called social science.

The research report quoted above played a part in the War Department's decision to leave the point system intact after V–J Day. It was felt that the capitulation of Japan was so near at hand that any recalculation of point scores should not be undertaken unless overwhelmingly sought by the men. This was a keen disappointment to some of the revisionists in the War Department who were working to reduce or eliminate overseas and combat credit. It was also a disappointment, though perhaps a lesser one, to the Information and Education Division, which would have preferred an increase in credit for overseas service, and an addition of the combat infantry badge to the elements counting for combat credit.

Mr. WORMSER. I would like to be sure of the stenographer, to be sure that you are quoting from somebody else's work.

Dr. HOBBS. I am quoting from volume II of American Soldier. That is another indication of the almost diametrically opposed viewpoints in this military situation, with the social scientist insisting on one thing and the military, for what turns out to have been eminently good reasons, insisting on another.

I quote again:

In the official history of ground forces the havoc played in one division in Europe by transfer out of its 85 point men after V–J Day is described in some detail. The facts in general were, however, that of all the men with combat

experience in ground units throughout the world, only 1 man in 9 had 85 points or more.

Now, again, here is an application of a statistic, in a context in which it cannot be applied safely. You say, or these people say, only 1 in 9. But if this 1 in 9 is a keyman, that might disrupt an entire squad. It might even disrupt an entire company. It might disrupt the crew of a heavy bomber, and things of that sort, which should certainly have been taken into consideration, but which could not be taken into consideration with this approach.

It is true that many of these were keymen, but it is also true that there were replacements with combat experience available who could have taken their places and, indeed, many more such men than any current estimates for the Pacific war required.

And the citation for that official history of the ground forces describing that havoc played in one division in Europe, the citation is "United States Army in World War II, the Army Ground Forces," published in Washington 1947.

They conclude, and I will conclude this material on the American Soldier in this way: that is, volume II, which discusses the point system sums it up in this way:

There are "ifs" where history cannot definitively answer. In taking its calculated risks, the Army won its gamble.

Now, if I may interject here, it was not the Army, it was this group. The Army, the military insisted on quite another policy, and to say that the Army won its gamble is misleading and, you might add, one more such victory and we are undone. This turned out, in the retrospect of history, to have been an extremely costly political as well as military procedure.

One cannot say for certain what would have happened after V–J Day as well as before if there had not been an objective method of demobilization which the majority men regarded as fair in principle because "military efficiency" is not independent of "morale." There are grounds for believing that the War Department chose collectively when it broke all precedent and went to the enlisted men for their opinions before promulgating its redeployment and demobilization policy.

That is the opinion of the authors of this volume.

Another and quite contrary opinion, I would say, could be at least equally justified. But the point that I wanted to stress all through is the way in which social science can and does encroach out and expand into areas not only of morality but of politics and in this instance military policy which was of the very highest order. Unfortunately, the situation is one in which, at the present time, and in the foreseeable future, we just—and I use "we" in the context of social scientists—we just don't know enough to gamble with supposedly scientific methods in these areas. If mistakes are to be made, let them be made by people who are expert in the field, and of course they will make mistakes.

The CHAIRMAN. Now do you want to make your concluding statement, Professor? We will meet your wishes on that.

Dr. HOBBS. A question was raised before, I think, about is there any pressure exerted on scholars in connection with these things.

I would like to mention just this: There was another book that came out, titled "Studies in the Scope and Method of the American Soldier," and in one of the reviews—this book contained a number of reviews about what was the greatest or seemed to be the greatest feat

of social science at the time—and in one of the reviews they referred to someone, a scholar, who had the temerity to question these findings and this is the type of pressure you get in this connection. I quote from this book:

> The rivalrous role is enacted by social scientists whose interest in empirical research quantitatively reported is low. Since no reviewer has taken the view that better research of this type is available or in sight, the rivalrous posture involves a preference (stated or implied) for a search of a different type. When this preference is merely implied and no alternative specified, the result is a vigorous negativism which leads to the extreme attitude we have designated as diabolic.

Now if you will just imagine yourself, you are in this case, a young fellow getting started out, and you happen to tread on sacred soil, you just do a little bit of criticism against these groups who are so powerful. This is the type of thing that comes back at you. I continue with the quote:

> Only one reviewer has approximated this extreme view in point, Nathan Glazer, who is—

please note these words—

> who is a young man at the periphery of the profession and hence, perhaps, less heedful of its imperatives toward discretion.

In other words, "If you want to get in with us, watch your step and don't criticize our work."

That type of thing is certainly undesirable, unhealthy, in studies which are supposed to be openminded, where you are supposed to allow for these differences of opinion which, Congressman, as you rightly, I would say, place such high value on. When you get pressure of this type it isn't a very good situation.

Mr. HAYS. It seemed to me that you were rather critical of the foundations a little earlier for not directing this Mr. Chase, was it, in how to write his book.

Dr. HOBBS. Advising him of the limitations particularly in the fields in which these men were supposed to be experts and in which he was not.

Mr. HAYS. Would you consider it a salutary situation where if a foundation granted money to someone to write a book, to just let him go ahead and write it? It would seem to me they ought not to tell him one way or the other.

Dr. HOBBS. Yes, I agree with this, but the Chase incident was a completely different situation. He was requested, and as the quotation will show, two important members of the foundation requested him to write it. By his own statement they worked with him all through and, presumably, were for the purpose of giving him their best knowledge and advice and still they permitted him to make a series of very extreme, unwarranted statements, about the very matters in which these people were supposed to be experts.

Mr. HAYS. I have an impression that his book did not sell very well.

Dr. HOBBS. I think that is not too vital a point one way or the other.

Mr. HAYS. I just might feel, and I am just old-fashioned enough to think that maybe the reason it did not is because somebody asked him to write it. I always had the old-fashioned belief that if some-

one had an urge to write a book, and it came because he had the urge, that is when you got a good book.

Dr. HOBBS. I would agree with that principle.

Mr. WORMSER. Mr. Chairman, Dr. Hobbs has some more material and I have a few questions which are rather important. I think we will have to carry over until tomorrow morning.

The CHAIRMAN. If it is agreeable. I think we are about to reach, as they say down home, quitting time.

As an additional observation with reference to the observation you made of what General Van Fleet said about morale, if you will pardon me for referring to it, I recall on the 9th of November 1918, when I got a message from the brigade commander, stating that it was reported that the morale of blank division was bad, and asking me to report on the morale of the third battalion, which I happened to be commanding as a lieutenant. This message is on record and my reply is on record down here in the War Department:

> The morale of the men of the third battalion is good. They may not be a hundred percent efficient because of the arduous service they have been called upon to render during the past several days, but they are remarkably subservient to the will of their officers and are ready to perform any duty that may be required of them.

And that has been the experience I have had, in my limited way, in dealing with the American soldiers when they are confronted with an important duty, that I have always found them ready to perform it, whether they have been in the service 1 month, 1 year, or 2 years.

Mr. HAYS. Well, I think that is a valuable addition to my argument, that you didn't have to keep the men that had been there the longest.

The CHAIRMAN. We find it necessary to change our committee room for tomorrow. The committee will meet in room 1334, being the Interstate and Foreign Commerce Committee Room. That is in the New House Office Building.

I would appreciate the members of the press advising any of the others that you might come in contact with, who might be interested in the location.

Mr. HAYS. Do you have any plans to bring anyone else besides Dr. Hobbs tomorrow?

Mr. WORMSER. Yes. Tom McNiece, the assistant research director, who will read another report which we are working our heads off to get ready for you at least by the time of the hearing.

Mr. HAYS. Why do you not keep your heads and let me finish asking Mr. Dodd some questions about his report before we get another one? It is immaterial to me, but I am ready.

The CHAIRMAN. I think my reaction to orderly procedure would be to let Mr. McNiece make his presentation and then any questions that you might want to ask of Mr. Dodd or Mr. McNiece could follow.

Mr. HAYS. It is immaterial to me, Mr. Chairman. I do not see what that has to do with orderly procedure. In the first place, we didn't get Mr. Dodd's statement the day he made it, and I have the notes made. I could have gone ahead yesterday except you said Dr. Briggs wanted to get back to New Hampshire. I do not want the thing to hang fire forever. But I don't care.

Mr. WORMSER. We would just as soon have Mr. Dodd go on.

The CHAIRMAN. I am inclined to think Mr. McNiece has a statement to make and my reaction would be it would be best for him to make the statement and then we ought to have the rest of the period of the day for questioning. Mr. Dodd can come on first and then if we want to question Mr. McNiece we would proceed, if that is agreeable.

Mr. HAYS. I have no objection except I understand I will be able to interrupt Mr. McNiece.

The CHAIRMAN. That is all right.

We will recess until 10 o'clock tomorrow morning.

(Whereupon, at 3:55 p. m., the committee was recessed, to reconvene at 10 a. m. Thursday, May 20, 1954.)

TAX-EXEMPT FOUNDATIONS

THURSDAY, MAY 20, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEEE TO INVESTIGATE
TAX EXEMPT FOUNDATIONS,
Washington, D. C.

The special subcommittee met at 10 a. m., pursuant to recess, in room 1334, New House Office Building, Hon. Carroll Reece (chairman of the special subcommittee) presiding.

Present: Representatives Reece (presiding), Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst.

The CHAIRMAN. The committee will please come to order.

Who is the first witness?

Mr. WORMSER. We will continue with Professor Hobbs.

TESTIMONY OF DR. A. H. HOBBS, ASSISTANT PROFESSOR OF SOCIOLOGY, UNIVERSITY OF PENNSYLVANIA—Resumed

The CHAIRMAN. Do you have an additional statement to make, Professor Hobbs, or are you submitting yourself for questioning at this time?

Dr. HOBBS. I believe Mr. Wormser indicated that he had some questions to ask of me.

The CHAIRMAN. You may proceed, Mr. Wormser.

Mr. WORMSER. Dr. Hobbs, you testified in some detail about a few particular books. You don't mean to leave any inference that your general opinions concerning what you call scientism relate only to those few books?

Dr. HOBBS. No, sir. This is a very widespread situation. It is contained in dozens and dozens of books. I cited those which I did cite only to illustrate the point. Many other books could be cited. But, of course, most of those other books, in fact, would have no connection with foundations.

Mr. WORMSER. Doctor, I hand you this morning an advertisement of Dr. Kinsey's second book. I think it is very important to illustrate the extent to which that book has resulted in a discussion of changes of law in the area of marriage and sex.

Would you read the material on that ad and describe it? It appeared in the New York Times on May 11.

Dr. HOBBS. This is an advertisement for the second volume in the Kinsey series, the volume on Sexual Behavior in the Human Female. The advertisement reads:

What do you care about sex laws?

It goes on:

Maybe you ought to think a little bit about our laws concerning sex and sex offenders.

These laws are supposed to protect you; they don't always do that, and they are sometimes turned against ordinary citizens like yourself.

The Kinsey report cites instances of how and when and where. Shouldn't you read it?

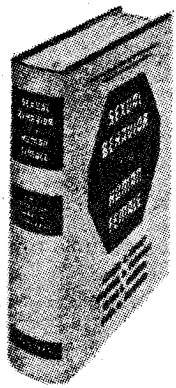
Mr. WORMSER. Have you read the entire ad?

Dr. HOBBS. Except the price of the book and the publisher.

Mr. WORMSER. Would the committee like to see the ad? I would like to offer it in evidence and you might wish to see it.

The CHAIRMAN. Without objection it is so ordered.

(The material referred to is as follows:)



What do you care about sex laws?

Maybe you *ought to* think a little bit about our laws concerning sex and sex offenders.

These laws are supposed to protect you: they don't always do that, and they are sometimes turned *against* ordinary citizens like yourself.

The Kinsey Report cites instances of how, and when, and where. Shouldn't you read it?

842 pages, $8.00. At any bookseller, or send order with remittance to

W. B. Saunders Company

W. Washington Square, Philadelphia 5, Pa.

Mr. WORMSER. Dr. Hobbs, would you express your own opinion, please, as to whether the production of a book of this type, advertised in this manner, is a desirable activity of a foundation?

Dr. HOBBS. I would say that they are encroaching, as in the instance of the encroachment in the military area, in areas in, in this case, legal areas, as well as moralistic areas, where they should be extremely cautious.

I don't mean to imply that no investigation should be made, nor that the findings should be suppressed, or anything of that kind. But a great deal of caution should be used in connection with these extra-scientific areas, if you wish to call them such, and that degree of caution certainly has not been exercised.

Mr. WORMSER. Dr. Hobbs, do I express your opinion correctly by this statement? The foundations, or some of them, in the Cox hearings last year, maintained that the best use of their funds would be in experiment in reaching out for new horizons, in considering their precious funds in what they call risk capital. You would approve of experiment in the sense of trying to reach new horizons, but you would caution, I assume, against experiment as such where it relates to the relationship of human beings and basic factors in our society?

Dr. HOBBS. Yes, sir; a great deal of caution, I think, should be applied in those areas. For one thing, because of the points I tried to establish yesterday, that the mere fact that the thing is being studied can change the situation; and secondly, because the findings of a study can affect human behavior and we should be extremely cautious when we are entering into areas of that sort.

Mr. HAYS. Mr. Wormser, would you go back to the question just immediately preceding this? Could we have the question read?

(The question referred to was read by the reporter as recorded above.)

Mr. WORMSER. Dr. Hobbs, I would like you to extend your remarks somewhat on the subject of empiricism. The material has been used by witnesses several times. I would like you to discuss this aspect of empiricism; whether or not it is safe to be used in consideration of human problems by itself, or whether it must not always be related to any other pertinent material in the social sciences, such as basic moral codes and so forth?

Dr. HOBBS. I would feel very definitely that so-called empirical findings must be fitted into a framework of the legal precepts, the traditions, the history, the moral codes, the military principles of the area in which they are applied. That in and of themselves, by their very nature, they exclude the intangibles which may be not only important but may be crucial in a final decision.

Mr. HAYS. Dr. Hobbs, right there, do you mean to imply that all the studies by foundations in this field of social science are empirical studies and that they have no relation or are not fitted in in any way, shape, or form with the other things you mentioned?

Dr. HOBBS. No, sir; I don't mean to imply that at all. There are studies fostered which are other than empirical. But it is my impression, and not only mine but the impression of quite a number of other professors with whom I correspond, that there is coming to be an overemphasis on what is called empiricism. Empiricism itself, of course, is a thoroughly acceptable technique of investigation. Like

other techniques it has to be included within the overall framework of the scientific approach, but it is thoroughly respectable and desirable as an approach in and of itself.

Two things, however, seem to be occurring. One, that it is not really empiricism which is being sponsored. It is more nearly statistical manipulation without any real background of the numbers which are being manipulated. Those numbers usually represent people.

Mr. HAYS. Right there, I want to ask you about that before we go any further.

The word "manipulate" usually has a connotation meaning that you decide what the answer is going to be first and then manipulate the figures. Do you mean to imply that?

Dr. HOBBS. No, sir; I didn't mean to imply that at all.

Mr. HAYS. Maybe we ought to use some other term.

Dr. HOBBS. Statistical computations if you wish.

Mr. HAYS. I think that means what you want to say and the other had a different meaning.

Dr. HOBBS. I am very glad you mentioned that because I had absolutely no intent to imply that.

Mr. HAYS. In other words, these people decide what the answer is to be and then set out to make it come out that way?

Dr. HOBBS. I didn't mean that; no, sir.

Mr. WORMSER. Dr. Hobbs, I would like your opinion and whatever discussion you can give us on the general influence that foundations have had on research in the colleges and universities.

Dr. HOBBS. I don't think I could speak as to the overall general influence. I have made no separate study of that. But from my own experience, and as I indicated from the experience of others, some of whom are prominent within their respective fields, there are, myself included, and others, who are becoming increasingly concerned about what is or what seems to be—perhaps we are wrong in this—an overemphasis upon this so-called empiricism. Unfortunately, as I said before, it is a respectable and acceptable technique, but it is only one part of a very large pattern, if you want to approach a better understanding of human behavior.

Particularly where large grants are involved, the grants tend to be geared into programs of "empiricism"—and I wish the word would be kept in quotes whenever it is used here—and then graduate students receive their training through these grants. I don't mean to imply in any sense that the foundations have organized their grants for this purpose, or that they are promoting intentionally and purposefully the type of thing I am going to describe. I merely wish to point it out as a situation which does arise and which I believe is quite unfortunate.

These graduate students, who, of course, will be the researchers and the teachers of the future, are subjected by the very nature of the situation to enter in disproportionate numbers into this one small area, an important area, to be sure, but just one area of their training. They are encouraged through the situation to embark upon study projects which are extremely narrow, and with the aid of the grant, the persons running the research are able to employ professional interviewers, for example. One part of graduate training should be some acquaintance with people. The graduate student, I would feel,

would gain much more if he were to do his own interviewing, rather than merely take the results which were collected by a professional interviewer. In failing to do his own interviewing, he has thereby lost an important element, I would say, of what should be his training.

Furthermore, these projects aid these students to a disproportionate degree. Other students who, through differing interests, through a broader viewpoint of society and behavior, who do their own work and who don't have such assistance, are handicapped in comparison with the ones who receive the aid through foundation grants.

So that there are cases where the graduate student in his training has concentrated in a very small area of the statistical computations—and I wish to add that in themselves there is nothing wrong with that, but they are a very small part of the overall picture—but in such training they neglect studies of the traditions of the country, the studies of the history of the country, they neglect actual experience with people, they neglect studies of the philosophies which have been developed in connection with human civilization, and they even neglect—and this may sound extreme, but I can vouch that it does happen—they even neglect studies of science.

One of my favorite questions when I am examining students for a graduate degree is a question of this sort. Here you are, you are going to get a doctor of philosophy degree. What have you read in philosophy? I appreciate that this sounds extreme, but there are graduate students who get such degrees who have never read a book in philosophy.

Then another question along the same lines: What have you ever read in the philosophy of science; and some of them have read little or nothing in that area either.

So you get this tendency to overspecialize, overconcentrate in one area which admittedly has its merits, but which leads to a narrowness of mind, not the broader outlook which we need in the present undeveloped conditions associated with social science.

Another aspect of this same situation is that graduate students and faculty members are discouraged from applying for grants unless they, too, are willing to do this type of "empirical" investigation.

For example, this is a bulletin of the Social Science Research Council, an announcement of fellowships and grants to be offered in 1953. In this bulletin it states that fellowships and grants described in this circular are of two distinct types. One, those designed exclusively to further the training of research workers in social science.

If I may interject to read: "Research worker" for a layman would have a broad general significance—research is desirable and so forth. But in the connotation in which it is all too frequently used, in social science, research means statistical computation. A social scientist reading this would interpret it to mean that probably, almost certainly, what they are interested in is only statistical computations.

The quotation on this first point goes on to say:

> These include the research training fellowships and the area research-training fellowships. These fellowships provide full maintenance.

A second category listed:

> Those designed to aid scholars of established competence in the execution of their research, family, the travel grants for area research, grants in aid of research, and faculty research fellowships.

Then in a description of the research-training fellowships there is the statement:

These fellowships may be granted for programs that will afford either experience in the conduct of research—

and remembering here that the reader of this material knows or believes they mean statistical computation—

and first-hand analysis of empirical data under the guidance of mature investigators or further formal training or both.

Purposes for which grants-in-aid may be expended include wages of clerical and technical assistants, tabulating, photostating, microfilming and similar services, transportation, and living expenses of the grantee himself while traveling in pursuit of his investigation. Grants are not ordinarily available for travel to professional society meetings or conferences or for purposes of books and manuscripts. Grants will not be given to subsidize the preparation of textbooks or the publication of books or articles or to provide income in lieu of salary.

Fellowships will be selected on the basis of their actual and prospective accomplishments in formulating and testing hypotheses concerning social behavior by empirical and, if possible, quantitative methods.

Now, I don't mean to imply that there is anything categorically wrong in such a statement, but I do wish to point out that it does tend in the direction of giving the people in the field the impression that unless research involves statistical computation, then they don't have much chance of getting a grant. Now, perhaps that impression is incorrect. It may well be incorrect. I just say that the impression does spread, so that if it does occur to you to ask for a grant to make a broader study of the history of the development of social science or something of that sort, then after having read such things you are likely to be discouraged.

It may be your own fault. Perhaps if you had gone ahead and requested you would have obtained it. I am just saying that atmosphere is created and I think the foundations themselves would regret that this is the situation and would probably be willing to do whatever they can to change that atmosphere to create one which everybody appreciates they are interested in, broader types of research instead of this particular empirical one.

Mr. WORMSER. Isn't the term "comptometer compulsion" used?

Dr. HOBBS. I have used it facetiously and unkindly to describe the extremes of this empirical research where comptometers and similar machines are substitutes for actual experience with people and actual study of the philosophy of science and the history of peoples and so on.

Mr. WORMSER. Dr. Hobbs, in connection with one subject you discussed, that the foundations support a type of research which you call scientism, which sometimes penetrates the political area, do you have any opinion that any of the foundations themselves encourage going into the political scene?

Dr. HOBBS. Certainly, that type of thing is indicated repeatedly throughout one of the books that I mentioned yesterday, in Stuart Chase's The Proper Study of Mankind.

In addition here is a report of the Social Science Research Council, annual report, 1928–29, in which they have what I would consider to be quite an extreme statement, but perhaps there is some other explanation of it. They have a listing of their history and purposes of the Social Science Research Council, and one of these purposes is that—

a sounder empirical method of research had to be achieved in political science, if it were to assist in the development of a scientific political control.

Mr. WORMSER. Is that a quote?

Dr. HOBBS. That is a direct quote from this annual report.

Mr. HAYS. Is that bad?

Dr. HOBBS. It could be. The implications that you are going to control political——

Mr. HAYS. They say "on a sounder." In other words, the inference is there that they recognize it is not very sound.

Dr. HOBBS (reading):

A sounder empirical method of research to assist in the development of a scientific political control.

If you are talking in terms of scientific political control, it would seem to me that you are going to hand over government to these social scientists. That seems to be the implication.

Mr. HAYS. Do you teach political science at all?

Dr. HOBBS. No, sir.

Mr. HAYS. I assume you have taken some courses in it?

Dr. HOBBS. Yes, sir.

Mr. HAYS. Have you ever had any practical experience in politics?

Dr. HOBBS. No, sir.

Mr. HAYS. Let me say that I have a minor in political science from Ohio State and they have a very fine political science department there.

But in the past few years in politics, I found out that it has very little relation if any to either science or politics. They do teach you a lot about government and Constitution and the government of the various other nations and the difference between our constitutional form of government and the British parliamentary form of government, for instance; but ever since I can remember it has been called political science and that would be, I suppose, under some of the definitions we have used here, a very bad and misleading term. Yet it is one that is used all the time.

Dr. HOBBS. So long as there is understanding that it is different from science as the term is used in connection with the physical sciences.

In your training in political science you are apparently getting the type of broad background which I referred to earlier. I think that is desirable. Not only desirable, but essential. If, in your training, your teachers had been trained only in this empirical method, then your training in political science would have been predominantly, perhaps solely, studies of how to make opinion polls and the techniques of statistical computation and examination of the results and things along those empirical lines.

Mr. HAYS. Do you mean to say, then, Doctor, that there are universities that are teaching their students in political science nothing but how to take polls, and so forth?

Dr. HOBBS. I do not. I say political science is not my field. My field is sociology. In sociology, there are, I am sorry to say, some institutions where there is a definite movement in that direction, and where this empirical type of thing has assumed a proportion which is way out of balance considering the general things that people should know about human behavior.

Mr. HAYS. I believe you have frankly said yesterday you didn't think that sociology was very much of a science.

Dr. HOBBS. Not in the sense that the word is used with political science. That does not mean that it is of no value or anything like that.

Mr. HAYS. I didn't mean to imply that. I think it has great value. But it is a subject that you can't study and say, "this is it, these are the conclusions and they don't vary."

Dr. HOBBS. That is correct, sir.

Mr. HAYS. It is something that you can only approximate.

Dr. HOBBS. You get as much data as you can and you generalize about it, but you should always avoid giving the impression that this is the final scientific answer to any important area of human behavior. Always leave open the possibility of alternative explanations.

Mr. HAYS. Then, as I get it, your criticism broadly has been that there is a tendency among these empiricists, if we can use that term, to try to tie this down as a definite thing and say these are the answers and there are no variables?

Dr. HOBBS. There is, I would say, a definite and in my opinion an unfortunate tendency in that direction, to the degree that it has overbalanced and overshadowed a more nearly rounded study of human behavior and societies.

Mr. HAYS. You don't think there is anything that the Congress can do about that except bring it to the attention of the people.

Dr. HOBBS. Of the foundations, and I would guess they would be probably not only willing but anxious to do what they could to modify this and avoid it.

Mr. WORMSER. Dr. Hobbs, there is one other subject I wish you would discuss, please, in your own way, and that is what is called moral relativity—the tendency of this inaccurate or unbalanced type of research to have perhaps an undermining effect on moral standards.

Dr. HOBBS. In this type of empirical approach, by definition you must attempt to reduce the things you are studying to the type of units which I indicated yesterday, to quantitative units, which are measurable. By the very nature of the approach, therefore, you exclude intangibles, such as sentiments, love, romance, devotion, or other tangibles, such as patriotism, honesty, and things of that type.

So if it is strictly empirical, then the behavior involved is reduced to cold quantitative items which are important, perhaps, but which if presented alone give a very distorted picture of love or sex or patriotism or whatever else the topic may be.

Mr. WORMSER. Is it analogous, perhaps, to use a syllogism without including all the premises? The missing premises being moral codes and basic principles of government and so forth.

Dr. HOBBS. It would be analogous to that. I would say that in the context of the scientific method it is using just one of the elements instead of including all of the elements which should be involved. That is unfortunate.

Mr. WORMSER. Unless the committee has further question, I would like Dr. Hobbs to conclude in whatever way he wishes, himself, if he has any further material to offer.

Mr. HAYS. Before we go any further, how many questions I will have depends on whether on not somebody is going to be brought in by the staff to present the other point of view. Because I am confidant that there must be another point of view. If we are going to be objective, I would like to hear from somebody on the other side.

I might have just as many pointed questions to ask him as I have to ask Dr. Hobbs. If we are not going to bring anybody in, then I am going to try to develop the other side right here so we can be objective.

Mr. WORMSER. I can answer that by saying that we will certainly ask the Social Science Research Council to appear and I would assume that they would present the other side of the case.

Mr. HAYS. You say you are going to ask the Social Science Research Council; that is a kind of intangible body, isn't it?

Mr. WORMSER. If you wish to designate its representative, we will call him.

Mr. HAYS. I don't know anybody in the Social Science Research Council any more than I didn't know Dr. Hobbs until now.

The CHAIRMAN. You have in mind calling someone who is a representative of the official body of the research council?

Mr. WORMSER. Yes. I would normally call the president. If the committee would prefer to have someone else called, I would do it.

The CHAIRMAN. Someone from their own section?

Mr. WORMSER. Yes, I told them that.

The CHAIRMAN. Likewise, in due time the representatives of the foundations, I assume, of various foundations, will also be called?

Mr. WORMSER. Yes.

The CHAIRMAN. So there is certainly no predisposition to have only one viewpoint presented.

Mr. HAYS. Are we planning to call in the representatives of these foundations or invite them in?

Mr. KOCH. I would think we would ask them first whether they would want to present their case. If none of them did, and I would rather doubt that, then I suppose we would have to get someone to present the other side ourselves. I would guess that the foundations would be only too anxious to present their best spokesmen.

Mr. WORMSER. Mr. Hays, may I amplify that by saying that I have had conferences with the attorneys, I think, for most of the major foundations, and in each case have told them that while we might ask an individual from the foundation, including the Social Science Research Council, to appear for a particular piece of testimony, that we had no objection whatsoever to their designating their own representative to testify.

Mr. HAYS. The reason for that question is simply this: At dinner last night with some friends of mine, one of whom spent an hour or two in the hearing yesterday, the subject came up about this, and this gentleman said, "I understand that up to now the foundations think that this has been so insignificant that they are just going to ignore it altogether." If they take that attitude, then I suppose we will only get one side of it.

Mr. KOCH. Mr. Hays, can we leave it this way: If they elect to ignore, we can then perhaps recall Professor Hobbs and you can cross-examine him at that time.

Mr. HAYS. That would be all right. I do have some questions to ask him. But I don't want to go into a lengthy day or two on it.

Mr. WORMSER. You don't want to ask them now?

Mr. HAYS. Yes, I sure do.

Mr. WORMSER. If you want to, ask them now by all means. I am sure Dr. Hobbs would be glad to come back on reasonable notice.

Mr. HAYS. I think the time to ask questions is now.

The CHAIRMAN. That was the purpose and intention of having this session this morning. If you will bear with me for a moment, I might review what I said at the opening of the hearing in connection with the method of presentation: That the committee staff was making a presentation and then others would be called in who were representative of the other viewpoint, and also the foundations themselves would be invited to come.

So far as my own feeling is concerned—I have discussed this with counsel—I would say it is not altogether within the discretion of the foundations to decide whether they should or should not come, because we have only one thing in mind, and that is a complete, objective, and thorough study.

Mr. HAYS. I understand that anybody can be subpenaed.

The CHAIRMAN. Yes.

Mr. HAYS. I didn't want to prevent you, Doctor, from making a final statement.

Dr. HOBBS. No, sir. I had completed the things that I wanted to take up.

Mr. HAYS. You have completed your statement?

Dr. HOBBS. Yes, sir.

Mr. HAYS. One of the things I would like to ask you—of course, understand in the very begining that I don't care what your answers are, I only want your opinion because I am interested since you have given your opinion on a variety of things, and I would like to have it on some that we have not touched upon so we get a well-rounded and balanced picture—and one of the things I would like to ask you is this: In Mr. Dodd's opening statement he said one of the things—and I am not quoting exactly, but he left a very definite impression—that one of the things wrong with foundations, and I will quote, is: "That they are willing to support experiments in fields that defy control."

Do you think that is a fault?

Dr. HOBBS. Assuming that that was the substance of his statement——

Mr. HAYS. I am quoting exactly, "That they have been willing to support experiments in fields that defy control."

Dr. HOBBS. It is true that in any study of the significant aspects of human behavior, such as criminality, juvenile delinquency, political behavior, the studies are such that they defy control, in the sense that there are intangibles involved which, no matter how conscientious you are in making the study, these intangibles still remain.

The word "control" in scientific investigation means that you are able to control, to measure the significant variables, and that no other variables can come into the investigation to significantly influence the results.

That is not the case with studies of human behavior.

Mr. HAYS. That is right. But any field, unless it is completely comprehended—and I don't know that there is any such field—and any research into the unknown would probably defy control, would it not?

Dr. HOBBS. But there is a difference in the usage of the term. A physicist can make a study which is a complete controlled study. His study may be one which involves the weight of matter. He may and can create conditions under which he has to all intents and purposes

complete control over the conditions of his experiment. You cannot do that in social science, unfortunately.

Mr. HAYS. It is probably unfortunate. All right, we will agree with that. But you would not suggest that we just abandon all experiment because we can't control?

Dr. HOBBS. By no means.

Mr. HAYS. I don't want to ask you any leading questions, but would you or would you not suggest that the foundations just refuse to make any grants in that field because it does defy control?

Dr. HOBBS. If that were the case, then they would have to go out of business so far as the social sciences are concerned. I think that would be undesirable, that grants should be made and efforts should be made in all directions, but I do think there should be more of a balance than there is at present.

Of course, when these things are done, then the results should be stated in very heavily qualified terms, particularly if the title "science" is applied to the investigation.

Mr. HAYS. Then to sum up the main part of your criticism—and I am trying now only to find out if I am right in my thinking—you object mainly to the use of the term "science" in connection with these things that are not exact because it is a misleading term.

Dr. HOBBS. Extremely misleading. The people in general, I believe, when they hear the word "science" think in terms of the physical sciences which have been so tremendously successful. It is unfortunate, therefore, that when they hear social science or read that this is a scientific study of delinquency or a scientific study of sexual behavior, they are given the impression that this is the final definitive word, that there is no alternative possibility, that the condition in short is the same as it would be with an investigation in physical science.

Mr. HAYS. Doctor, do you think it is possible to have a scientific study of delinquency?

Dr. HOBBS. Again in the sense that you have scientific studies of matter and energy, the answer would have to be "No." There have been some efforts—and I would say very commendable efforts—made to increase the degree of control involved in the study. That is by conducting studies such as the one made by, for example, Sheldon and Eleanor Glueck.

In their studies of delinquency they attempted to reduce the variables by going to slum areas and picking 500 boys who were delinquents and serious delinquents. They were not just one-time offenders or incidental mischievous children, they were serious delinquents; and then from the same slum area they picked out another 500 boys who were not delinquents.

Already they have exerted some element of control over one of the possible variables, that is, the environmental conditions, the slum conditions. All of the boys came from slum areas.

Then, further, they matched the delinquent boys with the other 500 boys as for age, as for their school record, as for their I. Q., as for their nationality background, the income of their parents, and in this manner they attempted to reduce the number of variables involved in the situation to arrive at what would be called a controlled study to the degree that you can call studies in social science controlled.

I would say that type of effort is extremely desirable.

Incidentally, the findings of that study upset all of the other beliefs that had been held on the basis of earlier studies which were made and which were empirical about delinquency.

Mr. HAYS. Of course, that is the way down through the ages. We have found out what little we know about things, that is, by trial and error more or less.

Dr. HOBBS. Yes. As long as we understand that it is trial and error, then that is, of course, perfectly acceptable. But when we are given the impression that this is science, and final and definitive, irrefutable, unchallengeable, that is another situation.

Mr. HAYS. Do you think there is a possibility about your fears that this is so firmly imbedded in the minds of the public might be exaggerated?

Dr. HOBBS. Sir, it is not a fear. It is a concern.

Mr. HAYS. I won't quibble with you about adjectives or verbs or

Mr. HAYS. Do you think there is a possibility that your fears or concern, you use your own terminology, but do you think there is a possibility that you are more concerned about it than maybe is necessary?

Dr. HOBBS. That is always possible.

Mr. HAYS. To go back to your book that you cited yesterday, this book by Stuart Chase.

Dr. HOBBS. Yes, sir.

Mr. HAYS. What was the title of that again?

Dr. HOBBS. "The Proper Study of Mankind."

Mr. HAYS. It is not a very appealing title.

Dr. HOBBS. The title is taken from a poem by Alexander Pope.

Mr. HAYS. You seemed to indicate to me that this book, The Proper Study of Mankind, had exerted a rather undesirable influence. Am I right in assuming that?

Dr. HOBBS. As to the influence of the study, of course, there is no way of measuring that. You cannot tell when someone reads a book the degree to which they have been influenced by it. I cited it as an illustration wherein foundations had encouraged and promoted the impression that social science is identical or virtually identical with physical science.

Mr. HAYS. The thing that I am a little concerned about is that I don't think very many people have read that book and if that is so, I dont' think it could exert much influence one way or another. I have been toying with this every since yesterday. I have a 15-minute television show every Saturday night in my district and it covers parts of three States. If there was some way to advertise that I was going to offer a prize and be sure the thing would not be loaded, I would like to offer $50 to the first person who called in and told me that they read that book in those three States. I don't know how many people listen to it, but I am sure if we put it in the papers at $50 I would get a good-sized audience. Maybe no one watches it, I don't know.

The CHAIRMAN. It depends on how much time you give them.

Mr. HAYS. I don't want to sell the book. I would have to give them them a time limit.

The point I am making, and I don't come from exactly an illiterate part of the country—Pittsburgh and Wheeling and Steubenville and Youngstown and other cities in Ohio—is that I would be almost will-

ing to gamble that I couldn't find anybody there who read that book.

Dr. HOBBS. That, of course, would be a biased sampling which was involved.

Mr. HAYS. Would that be empirical?

Dr. HOBBS. I suggest, sir, if you are concerned and think this is an important point that some of the staff might write to the publishers and perhaps they would release the sales figures.

Mr. HAYS. We have already made that request of the staff and they will get that. The thing was belabored pretty extensively yesterday, I thought, and I just wondered if it was not given an importance out of all comparison with what it deserves.

Mr. WORMSER. Mr. Hays, may I ask in that same question: Do you suppose, Dr. Hobbs, that it has been widely read among academic circles where its influence might be great?

Dr. HOBBS. From my own experience I know that it was widely read. I would judge that it was generally widely read in academic circles where, of course, that would be the crucial point—how much young and naive scholars were influenced by this point of view.

Mr. WORMSER. I think Mr. Hays would agree that they were probably reading it in the libraries rather than buying copies.

Dr. HOBBS. You might check that also.

Mr. HAYS. I am embarrassed to bring this up but I have been wondering after the last campaign whether they had much influence anyway. You know there was ridicule, and they developed a term called eggheads which I deplored, and an anti-intellectual thing. If you showed any interest you were immediately labeled with there being something a little queer about you. In fact, they almost sold the slogan so well they had some people afraid to admit that they even knew a college professor rather than listen to one.

The CHAIRMAN. I assume you are not familiar with the origin of the eggheads?

Mr. HAYS. I don't know which one of the hucksters came up with it, first, but I imagine it was the same one that came up with the slogan "dynamic foreign policy." I could mention some more.

Doctor Hobbs, you have expressed various criticisms of social science and I am sure you are far more of an expert in that field than I am. I find it a little hard to make a judgment on what you said. I certainly respect your opinions in view of your academic background, but I would like to try to tie down a little of this if I can.

Do you feel that the Congress has any business in trying to pass judgment on the questions of scientific method and the validity of scientific work?

Dr. HOBBS. Generally, I would say no. I can't conceive of a situation at the moment or on the spot where that would be desirable.

The CHAIRMAN. Will the gentleman yield?

Mr. HAYS. Sure.

The CHAIRMAN. I feel myself that Congress should not.

My general concern with this question and related questions is that Congress or the Government through the funds which it has made available to the foundations by relieving them of payment of taxes, not be used to do the same thing that Congress would not do, and that it would not be proper for Congress to do.

Mr. HAYS. Doctor, in view of your last statement, I suppose this question is almost superfluous, but to get it in the record I will ask you.

Do you think that there is some action Congress should take, or some control it should impose, to redirect the work of social scientists which you think is not good in some cases?

Dr. HOBBS. I don't want to give the impression that they are not good in that sense, but I did try to emphasize in a number of instances, and I think they have been important ones, they have encroached and they have encouraged encroachment into areas where, in the present state of the development of the social sciences, they should not encroach except with many, many qualifications as to their findings.

Mr. HAYS. In other words, then, the main thing is that you say go ahead and make these experiments, but qualify your findings so nobody can misunderstand them?

Dr. HOBBS. That is correct.

Mr. HAYS. That might be a little tough. But at least so they won't get the wrong impression about them.

Dr. HOBBS. That is correct.

Mr. HAYS. To get back to the question, Do you feel that Congress should take some specific action about this, or that we should just let these hearings perhaps stand as a sort of danger signal?

Dr. HOBBS. My feeling would be that ideally the foundations should, with the advice and with the information coming out of hearings like this, that they themselves should take the initiative to determine if there are excesses in one direction or another and to try, I would say more than they have in the past, to keep things in balance and not to go overweight in one direction, such as empiricism; that they should try themselves to keep a better balance than they seem to have done in the past and at present.

Mr. HAYS. In other words, you think then that any policing that is done should be done by the foundations themselves, and not by the Congress?

Dr. HOBBS. If it is a matter of policing, I would say yes. Of course, when you get excesses and if there is a definite effort to influence laws, such as has been indicated, then I think properly Members of Congress, to whom this prerogative is delegated, should be somewhat concerned.

Mr. HAYS. But you don't have any specific recommendations to make at this moment about any laws that we should pass?

Dr. HOBBS. I am not a legislator, sir. I would not; no.

Mr. HAYS. I realize that, and I didn't want to put you on the spot. But the usual idea, when you have a congressional investigation, the ultimate thing, if it comes to any conclusion at all that anything is wrong, is that there should be some remedial action taken.

You have indicated, at least, that you think there are some things that are wrong but you don't think that they are so badly wrong that Congress ought to pass a law about it.

Dr. HOBBS. I certainly think a great deal of thought should be given. I can't conceive, as I indicated before, how such a law could be drawn up without restricting investigation in some area or other.

Mr. HAYS. In other words, stifling further education and research?

Dr. HOBBS. Yes, sir.

Mr. HAYS. That is exactly what I am afraid of.

Dr. HOBBS. I think that would be undesirable.

Mrs. FROST. I would like to ask, Dr. Hobbs, do you think it would be proper or don't you think it would, that this committee call other

witnesses of a different point of view from yours in order to get a fuller picture of these issues?

Dr. HOBBS. Absolutely.

Mrs. PFOST. Also, I would like to ask you, Dr. Hobbs, do you think any of this tax-free money is being channeled into needless projects?

Dr. HOBBS. You want my opinion?

Mrs. PFOST. Yes.

Dr. HOBBS. Absolutely.

Mrs. PFOST. If I understand you correctly, a little while ago, you made the statement that you felt that the foundations should direct their studies in a more diversified field. How do you feel that they could better balance—how can they set about better balancing their field of study?

Dr. HOBBS. As I indicated, there is, or at least at present there seems to be to me and to other academic people, this atmosphere that the foundations are primarily interested only in this empirical approach. They, on their own initiative, could make efforts to dispel that atmosphere and to correct it, if it is erroneous, or to correct the situation if it does exist, through their circulars and advertising and through letters which are sent to universities, emphasizing that they are interested in all types of approaches.

Mrs. PFOST. Thank you very much.

Mr. HAYS. Dr. Hobbs, yesterday you talked at considerable length about the influence of certain social scientists—is that the term you used—on the Army?

Dr. HOBBS. Social scientists.

Mr. HAYS. I made the point yesterday I thought, and I don't wish to put a mantle around my shoulders and say I am a prophet, but I pointed out yesterday that whatever else you said, Dr. Kinsey would get top billing. That seems to have been the case in a few press notices I read this morning.

But to me the most important charge you made, or the most serious one, I will put it that way, is the charge you made—that the social scientists had more or less tampered with the workings of the Army to the detriment of the country.

Dr. HOBBS. I did not make that in the form of a charge. I made statements from the books themselves and did indicate in making those statements that this apparently, from the evidence, was a definite conflict between military policy on the part of the Army and social-science approach on the part of the social scientists involved.

Mr. HAYS. Let me say here that I don't want to put words in your mouth. If you didn't make a charge against the Army, I don't want to imply that you did.

Dr. HOBBS. I did emphasize that there was a conflict; yes, sir.

Mr. HAYS. But the impression was very definitely left with me that it was in the nature rather of a charge or indictment or whatever you want to call it. At least it seemed to me to be rather serious. Just exactly what did you mean to imply?

Dr. HOBBS. I meant to imply that here was a situation involving an extremely important military principle. That within this situation there was a conflict. On the one hand you had the military, on the other hand the social scientists. This they admit repeatedly throughout their work.

The social scientists continued to insist that their method of handling this important principle be used instead of methods which were advocated by the military. They succeeded in doing this, resulting in the point system of discharge, a discharge which, according to the military side, was undesirable.

Mr. HAYS. Doctor, you say there that on the one side was the Army and on the other side was social science. That is two sides.

How many sides does this thing have? To me it must have at least one more. Maybe it was a triangle, I don't know, but there is a side that it seems to me on which there were millions of people in this country and the way you define it, if there were only two sides then they were not on the side of the Army as you speak of the word.

By the Army I assume is meant what is commonly called around here the "high brass," or the people who run it.

Dr. HOBBS. That expression "there were two sides" is from the book itself.

Mr. HAYS. Wouldn't you say that in addition to the social scientists, there were about 6 million soldiers—maybe the figure is too high—maybe only 5 million wanted to be discharged, I don't know. But at the time it seemed to me like they all did. If there were 6 million soldiers there were probably 12 million fathers and mothers more or less and I don't know how many million sisters and brothers and other relatives, but I distinctly remember they were all on that side, too.

Do you agree or not?

Dr. HOBBS. That is probably true, but if military policy is to be based on the wishes of the individual members of the military service, then you are going to have a very, very interesting sort of Army, Navy, Air Force and Marine Corps.

Mr. HAYS. I agree with you. Probably more interesting than we have ever had. But in a democracy how else would you have the Army directed? Are you going to set it up a little sacrosanct outfit which does whatever it pleases without regard to the wishes of the people? If you do that you don't have a democracy, do you?

Dr. HOBBS. That is correct. But within a military organization by definition you do not have democracy. It is necessary to have ranks within a military organization. It is necessary definitely to delegate responsibility and authority.

Mr. HAYS. As I understand it, the decision had been made that we are going to have to demobilize some of these men. We can't keep them all. It is not necessary to keep them all. We can't afford to keep them all. The public won't stand for us to keep them all. All of those factors entered in.

Do I understand you to say that it is bad to ask these men, we are going to demobilize part of you, would you want to give us your opinion of how you would like to have it done? Do you think that is bad per se?

Dr. HOBBS. I made the point, or tried to delineate the differences or some of the differences between physical science and social science, that one of the differences was that the very fact that you attempt to make a study may influence the attitudes, the opinions, the behavior of the persons who are involved in it.

In this particular situation, there is the possibility—and I would say the likelihood—that when members of the military service are

given the impression, which they are likely to be given through opinion surveys, and which you remember the Secretary of War warned against, when they are given the impression that they are to have the decision about important matters of strategy and military policy, then there is always the possibility that you create disaffection. I would say that is a real possibility. It could have turned out that the technique accepted and used was desirable. That could have happened.

As it did turn out in the perspective of history, it was, let us say, at least questionable from a military point of view.

Mr. HAYS. Don't say "let us say." You say it.

Dr. HOBBS. I would say it was definitely questionable.

Mr. HAYS. That is your opinion?

Dr. HOBBS. It is my opinion.

Mr. HAYS. Yes. That is a very interesting thing, and I am just curious to know how would you have gone about demobilizing these people if you didn't use the point system, if you personally had the decision to make?

Dr. HOBBS. If I had the decision to make—you want to make me Secretary of War for the moment?

Mr. HAYS. I will want to make you anything you want. You made yourself something in criticizing it. So take the same title and tell us what you would have done in place of what you say was wrong.

Dr. HOBBS. In the situation which apparently existed the military did know or feel that there was good reason for not disbanding the combat veterans, for maintaining intact, efficient, effective combat units.

The social scientist on the other hand did not feel that same way.

I suspect, without knowing, from reading it, that the military was worried and concerned about possible Russian encroachment in Europe, a condition which did eventuate. The social scientist was concerned only with his small area and did not know of that possibility. By the very nature of the study, you see, it was something that they could not include. That is the type of hazard that you encounter.

I don't mean to imply that these men were stupid, evil, or vicious or anything of that kind; they are very capable men, all of them. Technically the studies were very good. My main point which I tried to stress is that when you enter an area and use the weight and prestige of social science you are encountering possible hazards—in this case, military hazards.

Mr. HAYS. Doctor, they used a similar system in Korea right at the time the fighting was going on, didn't they? They called it a rotation system. They were constantly pulling men out of units and putting them back and replacing them with other men.

I want to say very frankly I certainly recognize your right to your opinion, but I don't see anything bad in bringing a man back home who has risked his life repeatedly and let someone else assume that gamble for a little while because if the combat veterans stay indefinitely, it seems to me you have a chance of upsetting their morale, because they will say, "Well, we have two alternatives—one of them is that we stay here and get killed eventually and the other one is that we stay here and get killed tomorrow."

Dr. HOBBS. That, of course, was not the issue. The issue was whether the military forces should be maintained intact or at least in sufficient strength so that they could combat a possible military move on the part of some potential enemy, in this case, of course, Russia.

Mr. HAYS. I don't think the decision to keep them intact or not to keep them intact—I insist—was made by any group of social scientists. It was made right here about a block away, under the dome.

Dr. HOBBS. As I pointed out in citing from the book, there was the point that the military did desire to keep the units intact. The social scientists did not.

Mr. HAYS. Would you agree with that statement? The military, especially from the rank of lieutenant colonel on up, would desire to keep them intact forevermore? I never found a colonel or lieutenant colonel or a general who thought that the country was not in imminent danger of destruction if you let one out. Whether or not it has anything to do with the fact that you have to have so many thousand men to have so many dozen colonels, I don't know. But that is the attitude they seem to take.

Dr. HOBBS. I have had some experience with the military, also. In my experience, I found the people—of course, military life is their specialty and career—they are concerned with it much more than nonprofessional military personnel. I did not find in my experience the degree of dogmatic affirmation that we will maintain armies at the largest size, we will maintain navies at their fullest strength, regardless and in complete disregard of any military threat, imaginary or real, and regardless of the interests of the entire country. I do not find that in my experience.

Mr. HAYS. I overemphasized the thing perhaps and exaggerated. I am sure that you did not find that the case.

Will you agree that 99 percent of the time whenever there is a cut suggested that you immediately ran into resistance in the high command? That is a perfectly normal human tendency. I am not saying they are awful people.

Dr. HOBBS. On the part of all of us when it comes to things we are interested in and seriously concerned with, of course that is very true.

Mr. HAYS. I have found that with social workers.

Dr. HOBBS. Of course, sir, it was true also of the social scientists who were so concerned with their methods and techniques that they, too, overworked the military side of the situation.

Mr. HAYS. In other words, two little empires there kind of clashed head on?

Dr. HOBBS. That is right.

Mr. HAYS. And one wanted this and the other wanted something else. That is an interesting thing that you brought up, and I thought it was worthy of some development.

I again want you to repeat what I understood you to say, that you don't think there was any bad or deliberate plot on their part to destroy the Army.

Dr. HOBS. I have absolutely no knowledge, I read nothing to that effect, I didn't mean to imply it.

Mr. HAYS. In other words, they thought this is the way it should be done and they were firm in their belief and they pressed forward with it.

Dr. HOBBS. That is right.

Mr. HAYS. That puts a somewhat different light on the matter.

I have 1 or 2 other questions, Doctor, and then I will be through.

Someone once made the statement—and I can't quote who it was—that the scholar who has never made a mistake has never made a discovery or a correction. Would you be inclined to agree with that?

Dr. HOBBS. Yes, sir.

Mr. HAYS. Then going back to this business of having controls over research, research that is valuable is going to occasionally stray off into fields where it is going to make mistaken conclusions and mistaken decisions and so on and so forth, would you agree that is true?

Dr. HOBBS. Yes, sir.

Mr. HAYS. Do you have any specific suggestion as to how these foundations might prevent more than a minimum number of mistakes? I mean do you have any suggestion as to how they should tighten up their grant-giving machinery? You are more familiar with foundations than I. We have admitted that they are going to make some mistakes. That is almost inevitable, is it not?

Dr. HOBBS. Yes, sir.

Mr. HAYS. The desirable thing would be to keep those mistakes to a minimum.

Dr. HOBBS. Yes, sir.

Mr. HAYS. I ask this very kindly. I am only trying to get some light on the subject. Do you have any suggestion?

Dr. HOBBS. One suggestion I made before would be that they emphasize that they do not wish to concentrate research and studies within the empirical area to a disproportionate degree and to thereby exclude or seriously minimize other important areas of study.

Another suggestion would be that they be much more careful than they have been in the past in encroaching on large and significant areas of human behavior, such as the military area where you can say it is all right to make a mistake, but with high military policy perhaps one mistake is the only chance you get. It may be your last mistake.

In this area any findings which are arrived at should be presented very tentatively and with many, many reservations and qualifications and not pushed to the degree which the findings in connection with the point system of discharge were apparently pushed from reading the book.

Mr. HAYS. You say a mistake in a military decision might be your last mistake. Did I understand you to say that?

Dr. HOBBS. It could be in a military situation.

Mr. HAYS. Whether it came about as a result of an empirical study or just somebody's decision, that could be true?

Dr. HOBBS. That is correct.

Mr. HAYS. So if we make a mistake about the ultimate decision on what we do in Southeast Asia, while it might not necessarily be our last mistake, it might be our next to the last?

Dr. HOBBS. That is correct.

Mr. HAYS. So we are getting right back, as I see it, to the fundamental conclusion that I think we are going to have to arrive at, and that is, that human beings are susceptible to mistakes and in the situation we are now we better not make too many.

Dr. HOBBS. Yes, sir, but with this additional factor: That when your decision is based on studies which are purportedly scientific, then

your results are no longer regarded as the results of an individual, but are regarded as the results of a method which many people have the impression is infallible. So you create quite a different situation from the necessary and desirable difference of opinion between individuals or between members of the military and civilians, where the differences can be weighed and ironed out on their own level of merit. You don't have the injection of this factor which seems to be the final and decisive ultimate factor. I think that is a significant difference.

Mr. HAYS. I think you and I are in complete agreement on that point. In other words, you don't like an attempt to wrap a cloak of infallibility around them and say this is it.

Dr. HOBBS. Exactly.

Mr. HAYS. That is a tendency not only of social science, and I am being strictly nonpolitical when I say this, that has been the tendency of recent Secretaries of State we have had, too. They sort of put a mantle of infallibility on and say whatever decision I come to is right and this is it, and I don't want you to question it. That is a shortcoming that is confined not only to social scientists.

Dr. HOBBS. No, sir. But you always have the factor of the prestige of science involved. You can argue about a decision of a Secretary of State on political bases, on bases of knowledge of history, on bases of knowledge of the foreign situation, and on many grounds you can justifiably argue a decision of that type.

Mr. HAYS. Mr. Wormser, there is a question you asked there that I thought ought to be developed a little more and I don't recall, since I don't have the transcript here, the exact wording of it. It had to do with the foundations going into political fields. You asked it early in the testimony.

Mr. WORMSER. You mean today?

Mr. HAYS. Yes. Do you have a list of the questions you asked there?

The CHAIRMAN. While he is thinking about that, may I ask one question with reference to your suggestion?

With reference to these suggestions that the foundations might follow to improve the situation, do you feel that any of the foundations have exercised sufficient care in selecting the key personnel, or if the boards of trustees have exercised sufficient care and responsibility in considering the recommendations of the personnel of the staffs?

Dr. HOBBS. I am afraid that I wouldn't be qualified to give an opinion on that. I have made no separate study of foundations and their personnel. I just wouldn't know.

Mr. WORMSER. Mr. Hays, I don't recall the exact question, but I think what you are referring to was this: I had in my mind that there is some evidence that foundations have to some extent consciously determined to enter the political field in this sense: That social scientists should be assigned the job, let us say, of directing society and of telling us what is best for us. I asked some question which related to that, bringing out the political field itself. I think Dr. Hobbs then quoted something from the report of the Social Science Research Council.

Is that what you mean?

Mr. HAYS. Yes, I think that had to do with it. Maybe we can develop what I was thinking about without having the exact language. I thought if you had it there it would be helpful.

Do you think the foundations have gone into the realm of politics to any great extent?

Dr. HOBBS. That would be difficult to determine. Political influence, as you know much, much better than I, involves many, many intangibles as to what does influence people politically one way or another. Have some of the findings influenced political attitudes? I would say that is likely. But again, to measure it and to say exactly how much and precisely in what direction, I would be at a loss to say.

Mr. HAYS. Do you think they have gone into it in any significant way or to any great extent?

Dr. HOBBS. Certainly not directly. That is, not in any sense of a lobby or anything of that type, to my knowledge.

Mr. HAYS. If they have gone in at all, then, with the exception of perhaps some who sponsor radio programs and political figures, they have gone into it in a rather subtle way?

Dr. HOBBS. That could be the case. I don't know the specific situation which you refer to. I have never heard that program. I don't know.

Mr. HAYS. I don't want to show here that I am accusing them—and we are speaking now, of course, of Facts Forum—of anything, but I have had a lot of complaints about them, especially even prior to the time of these hearings, and a great volume of letters since then.

To be perfectly fair I have had a few which say they are all right. So all I am interested in with regard to that particular organization is finding out whether they are biased or whether they are not. I want to make it clear here, which apparently it has not been in some people's minds, that if they are biased, they still have a perfect right to go on the air; but they don't have any right to go on with tax-exempt funds.

Dr. HOBBS. I would agree with that.

Mr. HAYS. They have a right to their opinion, certainly. They can be just as biased as they want to as long as they are using their own money without any tax exemption.

Mr. KOCH. Mr. Hays, I am glad you brought up that point. You mentioned earlier this morning that one of the principal purposes of a committee such as this is to find out whether legislation might be necessary or whether present legislation should be amended.

I think after the representative of the Internal Revenue Department testifies, I think, next week, you will find that his department has difficulty in determining just what is propaganda and what is designed to influence legislation. We hope to present to the committee samples of various types of propaganda, including Facts Forum, and various types of efforts to influence legislation, and maybe at the end of these hearings we can define this a little bit better for the aid of the tax department.

Mr. HAYS. I would say to you, that I am sure that it must be a very difficult proposition. I am sure it must be just as difficult as there are points of view. When you use the word "propaganda"—and I think we ought to make that definitive here—the word "propaganda" itself has come to have a sort of undesirable connotation.

In the strict sense it can be good propaganda as well as bad. I suppose whether it is good or bad depends on your point of view and whether or not you agree with it. That would be somewhat of a determining factor.

Mr. KOCH. But we shall try to define it a little more clearly because some of the types of propaganda will shock us. If we can define it better the tax department will have an easier time.

Mr. WORMSER. Mr. Hays, I can now give you your statistic that you ask for. Roughly 50,000 copies of Stuart Chase's book have been sold, which happens to be more than the aggregate sales of the 8 books which I have written.

Mr. HAYS. All I can say is that if he sold 50,000 copies with that title, if he jazzed up the title a little he could have probably sold half a million. Whoever merchandised that book did not do a good job.

Mr. KOCH. I would like to have Mr. Wormser give us the names of his eight books.

Mr. HAYS. I think we ought to get a plug in for him and mention one from memory, Estate Planning in a Changing World.

Mr. WORMSER. That is right.

Mr. HAYS. I found it a little heavy going but it is perhaps because I don't have an estate to worry about.

The CHAIRMAN. Since I quoted it in one of my speeches I should also mention his most recent book the Myth of Good and Bad Nations.

Mr. HAYS. I hope I will have the time to read it before this hearing is over.

I have just one more question which may lead into some subquestions. I have a letter here from a man—I don't suppose he would care if I identified him, but there is no reason to bring him in. It is a rather kind letter with several points of view. He makes a challenging statement here and I would like to hear your comment.

He says, "Man's greatest problem today is man himself." Would you agree with that?

Dr. HOBBS. Could I answer that a little indirectly?

Mr. HAYS. In any way you wish.

Dr. HOBBS. I was going to lunch some time ago with a colleague and he asked me, "What do you think the Negro really wants?" I asked him, "What do you really want for lunch?" He said "I am not sure, I don't know." I said, "You don't even know what you want for lunch and you ask me to tell you what the Negro really wants."

I don't know what man's greatest problem is. Also, I don't know what I want for lunch.

Mr. HAYS. I will read further and he says:

> Human behavior is the area in which understanding of any general validity is most difficult to obtain.

You would agree with that, would you not?

Dr. HOBBS. I am sorry, sir, would you repeat that?

Mr. HAYS (reading):

> Human behavior is the area in which understanding of any general validity is most difficult to obtain.

Dr. HOBBS. If you leave out the supernatural I would say that is correct.

Mr. HAYS. Let us leave it out by all means.

Dr. HOBBS. Frankly, we have been in a couple of areas here that I have very little knowledge of and if we get into the supernatural I will be completely without knowledge.

Mr. HAYS. The reason I ask that is that it goes right back to what we have been saying all along. You can change the words "human behavior" to make them read "social science" and we would come up with about the same general conclusion, would we not?

Dr. HOBBS. Yes, sir.

Mr. HAYS. That any experimentation with human behavior or the social sciences or anything concerning the behavior of men is an experiment or a research that you can't put any adequate controls on?

Dr. HOBBS. That would be my view.

Mr. HAYS. So it is more or less an excursion into the dark and any conclusions that you come up with should be qualified by saying that there is no way to validly set up a scientific control, so these are merely conclusions and the best we can come to in the light of what we have done.

Dr. HOBBS. Exactly.

Mr. HAYS. If the foundations adopt that as a principle in their grants for research into the social sciences, you would be satisfied?

Dr. HOBBS. I would say that would be a commendable forward step.

Mr. HAYS. That is all.

The CHAIRMAN. Are there any other questions?

If not, we thank you very kindly, Professor Hobbs.

Dr. HOBBS. Thank you, sir.

The CHAIRMAN. Whom do you wish to call?

Mr. WORMSER. I would like to call Mr. McNiece.

Mr. HAYS. You say you wanted to call Mr. McNiece. It is time for the morning bell for the House. I wonder if it would not be well to go over to Monday?

Mr. KOCH. Mr. McNiece's presentation, which is long, we can put on at any time, so if we don't start Monday, because we have some other witnesses, we will put it on later.

The CHAIRMAN. As I understand, Mr. Wormser, the witness who is to be here Monday is Mr. Sargent, of California. I might say Mr. Sargent was the man who was first invited to become general counsel of the Cox committee, the predecessor of this committee, and for reasons at that time was unable to accept the invitation, but he is a student of questions which we are dealing with here and, based upon my knowledge of Mr. Sargent in other ways, I think his testimony will contain a great deal of interest.

Mr. HAYS. Let me ask this while we are on the matter of whom we are going to call. You say Mr. Sargent was first approached about being counsel for the Cox committee?

The CHAIRMAN. He was invited to be counsel of the committee by Mr. Cox.

Mr. HAYS. Would it be possible at some time to bring in the counsel of the Cox committee? There are a lot of questions I would like to ask him.

The CHAIRMAN. I think that is something that might be considered.

Mr. HAYS. I want to get a request in right now before we run out of time.

I would like to have the counsel of the Cox committee brought in one day. Ask him to come. I think he could give us some very valuable statements.

The CHAIRMAN. I think your suggestion is well received.

The committee on Monday will meet in the caucus room in the Old House Office Building, which is room 362, at 10 a. m.

(Whereupon, at 11:50 p. m., Thursday, May 20, the hearing was recessed until 10 a. m., Monday, May 24, 1954.)

TAX-EXEMPT FOUNDATIONS

MONDAY, MAY 24, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX EXEMPT FOUNDATIONS,
Washington, D. C.

The special subcommittee met at 10 a. m., pursuant to recess, in room 1334, New House Office Building, Hon. B. Carroll Reece (chairman of the special subcommittee) presiding.

Present: Representatives Reece, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst.

The CHAIRMAN. The committee will come to order.

Who is your first witness, Mr. Wormser?

Mr. WORMSER. Mr. Aaron Sargent, of San Francisco.

The CHAIRMAN. Will you be sworn? Do you solemnly swear the testimony you are about to give in this proceeding shall be the truth, the whole truth, and nothing but the truth, so help you God?

TESTIMONY OF AARON M. SARGENT, ATTORNEY, SAN FRANCISCO, CALIF.

Mr. SARGENT. Yes; I do. I have the original subpena Mr. Reece served me. May I lodge it with the clerk at this time?

The CHAIRMAN. Yes.

Mr. WORMSER. Will you state your name, address, and occupation for the record, please?

Mr. SARGENT. Yes. My name is Aaron M. Sargent. My occupation is attorney at law. I also have had experience in connection with special investigations and research, particularly in the educational and antisubversive field. My office is in the Hobart Building in San Francisco, Calif. I maintain a research office at Palo Alto, Calif., which is down in the San Francisco Peninsula. My residence is 606 Santa Rita Avenue, Palo Alto, Calif.

Mr. WORMSER. Mr. Sargent, you are here, I understand, to give testimony on radicalism in education and the responsibility of the foundations for it?

Mr. HAYS. Before we go any further, I have a few questions I would like to ask.

Mr. WORMSER. I was just going to ask him to qualify himself.

Mr. HAYS. I am going to qualify him. Were you ever offered the counselship of the Cox committee?

Mr. SARGENT. Yes, sir.

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Mr. HAYS. Do you have any documentary evidence to that effect?

Mr. SARGENT. Not in my possession. You mean the specific offering of the position or discussion of my possible employment?

Mr. HAYS. I asked you a specific question. Were you offered the counselship of the Cox committee?

Mr. SARGENT. In substance, yes. It was indicated verbally that my appointment would be looked upon favorably. The actual tender I do not think was made. I discussed the matter with Judge Cox in Washington at the time.

Mr. HAYS. In other words, it was an informal discussion about the possibility of it, but actually you were never specifically offered it?

Mr. SARGENT. No. I was never specifically offered it in a formal way. It was under discussion. I found myself unable to do it for a number of reasons.

The CHAIRMAN. Would you permit an interjection, Mr. Hays?

Mr. HAYS. Yes.

The CHAIRMAN. As a member of the Cox committee, I might say Judge Cox brought up the question of counsel. He brought up the name of Mr. Sargent and gave his background and his evaluation of him, which was favorable, indicating that he thought favorably of his selection. The committee at this informal session authorized him to get in touch with Mr. Sargent and negotiate with him. I do not remember the exact details but as I recall it, the inference was to conclude a contract with him if he desired to do so.

At a later meeting he advised the committee that he had contacted Mr. Sargent, who at that time was in Texas attending a bar association meeting of some kind.

Mr. SARGENT. It was a meeting of the Sons of the American Revolution, National Society, at Houston.

The CHAIRMAN. He advised he would be unable to accept the counselship. That is the basis for my reference the other day. In view of the fact that I made that reference, I thought I should further explain the statement.

Mr. HAYS. Did you ever offer to work for the Cox committee later on, Mr. Sargent, after the counsel was chosen?

Mr. SARGENT. No; I never did. Mr. Harold Keele, the counsel for the committee, contacted me when I was in Washington—I do not recall the exact date—September or October of that year. What year was that? That committee was acting in 1952.

Mr. HAYS. Yes.

Mr. SARGENT. It would be about October, as I recall, of 1952. I was staying at the Statler. Mr. Keele's office contacted me and requested me to confer with him, which I did, and he asked me what I knew about this thing. We went over it in some detail. He asked in what way I could be of any help. I said if you feel that my services would be of any assistance to you, I will see what I can do. But I was never requested to act, and I did not solicit the arrangement in any way. The entire request originated from Mr. Keele. He had me meet with the staff at lunch and we did various things.

Mr. HAYS. You are testifying now that Mr. Keele asked you.

Mr. SARGENT. Correct. He asked me in what way I could help. I indicated I thought that there were only two ways—as a witness, or possibly under some special employment. It was in response to his question how I could aid him. I did not want the association at

the time. I had a great deal of responsibility. I did not even contact his office. I was in town on other business.

Mr. HAYS. Did you have a conference with Mr. Keele at that time?

Mr. SARGENT. Yes, I did; a long conference.

Mr. HAYS. It lasted until 8:30 or so in the evening?

Mr. SARGENT. I do not recall the hour. It lasted a long time. He reviewed a great many things about his policies in the handling of the investigation and so forth.

Mr. HAYS. Do you recall saying that you would be available for special consultation or investigative work to this Cox committee at a fee of about $100 to $125 a day?

Mr. SARGENT. I may have stated that amount. That is about what it is worth for an attorney to leave his business and go out of town and attend things of this kind. It is a very expensive and heavy responsibility. I may have said that.

Mr. HAYS. And you recall that was considerably more than the counsel was getting and that the committee probably would not pay that, is that correct?

Mr. SARGENT. I think it was indicated that it was higher than the scale; yes. However, that is what the sacrifice was worth to me.

Mr. HAYS. Did you tell Mr. Keele the reason that you had declined the job of counsel of the Cox committee? Did you tell him that?

Mr. SARGENT. I think he knew it all right. I don't specifically recall.

Mr. HAYS. Remember you are under oath. You just testified that you were not specifically tendered the job. I am asking you, Did you tell Mr. Keele that you declined the job?

Mr. SARGENT. I don't know whether I did or not. You are being technical, Mr. Hays.

Mr. HAYS. No; I am not being technical at all. I am just asking you a question. You either did or didn't.

Mr. SARGENT. I may have used that expression, but in a technical and exact sense, I was not tendered the job. I felt here in justice to this committee I should not make that statement. There was no formal notice or a letter stating that "we offer you the counselship of the committee."

Mr. HAYS. We brought that out.

Mr. SARGENT. I may have used that reference in talking to Mr. Keele in a loose general sense, in the sense I knew I probably could be appointed and indicating to them I could not be available. I think I would have been justified in making that statement. I said generally something of that nature.

Mr. HAYS. All right. I am not going to try to pin you down more than that.

Mr. SARGENT. In a technical sense, I was not offered the job, no.

Mr. HAYS. Did you give Mr. Keele any reason why you would not have taken the job?

Mr. SARGENT. I don't remember. I may have indicated something. I don't recall specifically at this time.

Mr. HAYS. You don't remember whether you told him that you had an estate that you were executor for in California and you could not afford to turn down the fee involved?

Mr. SARGENT. I could have told him that. That is the fact. It is an estate pending at the present time, as a matter of fact. I am still working on it.

Mr. HAYS. Did Mr. Keele question you anything about the size of that estate?

Mr. SARGENT. I don't know whether he did or not. I don't know whether he did or not. I don't mind telling you it is a quarter-million-dollar estate in probate. It is important business. The party died while I was in the East.

Mr. HAYS. Have you at any time in the past criticized the Cox committee on the ground that the questionnaires were not sworn to?

Mr. SARGENT. Yes.

Mr. HAYS. Did you discuss with Mr. Keele at any time during your conference the problem of having those questionnaires sworn to?

Mr. SARGENT. Yes; I asked why there was no oath on that questionnaire form. He said he was going to bring these people in later and cross-examine them and use these statements to get preliminary information.

Mr. HAYS. Did you happen to discuss it with him to the extent of agreeing that had they tried in the limited time to get the questionnaires sworn to that they probably would not have gotten any back?

Mr. SARGENT. I think he said something like that. I don't recall I ever said it.

Mr. HAYS. You do not know whether you agreed with that conclusion?

Mr. SARGENT. I don't think so. I was a little disturbed at the procedure. It looked a little irregular to me. That committee had the subpena power, including power to compel answer. I thought the procedure was a little different, to say the least.

Mr. HAYS. Did you discuss the mechanics of this thing? This committee only had a life of 6 months. Wasn't the question discussed that, if they required sworn questionnaires, that they probably wouldn't have had time to check every answer of the foundations, and the committee probbaly would not have gotten back anything, so under the circumstances it was better to go ahead this way than to risk getting nothing?

Mr. SARGENT. You misunderstand the purpose and scope of that conversation, Mr. Hays. I didn't go there to discuss any of these things with Mr. Keele. He called me in because he wanted to talk to me and he outlined various things and I commented upon some of them.

Mr. HAYS. He called you in?

Mr. SARGENT. I was definitely there at his request, and I remained for a very long time, longer than I had any idea of staying. I got there about 4 o'clock in the afternoon and I didn't get out until probably around 8 o'clock, nearly 3 or 4 hours.

Mr. HAYS. I do not know who called you.

Mr. SARGENT. He did. I didn't discuss these things with him at all, except I might comment on what he said. He was apparently trying to tell me what he was going to do. I was not guiding him.

Mr. HAYS. It has been stated here by Mr. Dodd that there are certain things missing from the files of the Cox committee. At least one set of the answers to these questionnaires. Do you happen to have that set?

Mr. SARGENT. No, sir.

Mr. HAYS. Did you ever have it?

Mr. SARGENT. No, sir; I never did. The answers to questionnaires? In the first place——

Mr. HAYS. Do you have any material that came out of the files of the Cox committee?

Mr. SARGENT. Not a single piece of paper of any kind. I think the suggestion is a little bit unfair, Mr. Hays.

Mr. HAYS. Well, now——

Mr. SARGENT. May I answer further, please?

Mr. HAYS. Yes; you may answer, but we are not going to make speeches. I have been lenient with you on making speeches so far. Do you know a fellow by the name of "Bugeye" Barker?

Mr. SARGENT. I want to answer the other question first.

Mr. HAYS. You said you didn't have any papers.

Mr. SARGENT. Yes; but I want to explain the circumstances to show I couldn't have any in the first place. May I answer?

Mr. HAYS. No; you cannot make a speech.

Mr. SARGENT. I am not going to make a speech. May I answer that question first, please?

Mr. HAYS. You can answer whether or not you have anything out of the files of the Cox committee.

Mr. SARGENT. I want to explain.

Mr. HAYS. I will give you a chance to explain why you couldn't have later.

Mr. SARGENT. I did not at any time have access to those questionnaires or the answers except under the jurisdiction of the Clerk of the House of Representatives in his office in one of these buildings under his custody and in his office. The questionnaires had never been answered when I saw Mr. Keele, which was in October. They had been sent out. I saw no answers at that time.

Mr. HAYS. Do you know one George, commonly known around here as Bugeye Barker?

Mr. SARGENT. I met him when I was in town.

Mr. HAYS. Did he ever deliver anything to you from the files of the Cox committee?

Mr. SARGENT. Not a single piece of paper of any kind.

Mr. HAYS. Did you try to get from Mr. Keele any material about the Cox committee?

Mr. SARGENT. Not a single thing except a transcript I wanted to borrow later. He handed me some kind of printed forms of questionnaires he was supposed to use. I think I took a few of those away with me, just blank forms, nothing aside from that.

Mr. HAYS. You didn't ask for anything and later complained that he turned you down?

Mr. SARGENT. No, of course not. I had no right to ask anything of him. I never did except with respect to the transcript of the Hiss case.

Mr. HAYS. Do you know a George DeHuszar?

Mr. SARGENT. Yes, he is in Chicago.

Mr. HAYS. Have you ever worked with him?

Mr. SARGENT. No, I never worked with him. I discussed problems with him from time to time. But I never worked with him on any situation. I have corresponded with him as I do with other people interested in this kind of work. He did a small job for me years

ago, long before the Cox committee, and gave me some reports on some matters.

Mr. HAYS. Did I understand you to just say that you never asked Mr. Keele for anything?

Mr. SARGENT. Any documentary material?

Mr. HAYS. Yes.

Mr. SARGENT. I am pretty clear I never did.

Mr. HAYS. Did you ever ask him for any information?

Mr. SARGENT. I asked him at one time if he could get me access to the printed transcript of the proceedings on the trial of Alger Hiss. I asked him if he could give me that. I was doing research and I wanted to go over the transcript. He told me by letter he didn't have it. I later obtained it from another source. I did ask him for that. I never asked him for any committee material. I think that is the only thing I ever did ask him for.

Mr. HAYS. Did you write him at least two letters demanding certain information relative to the work of the committee?

Mr. SARGENT. Not demanding anything, no. I had a few letters with him, yes. I will be glad to identify any letters of mine if you have them there, and if I look at my file at home, I will send you copies of what my correspondence with him was.

Mr. HAYS. Did you write him any letters wanting to know why witnesses had not been sworn?

Mr. SARGENT. After the thing was over, I did. I wanted to pin him down and tried to find why. That was after the committee had disbanded. Yes, I did ask for his explanation and I got no satisfactory answer.

Mr. HAYS. You didn't sort of try to run this Cox investigation from the sidelines by any chance, did you?

Mr. SARGENT. No, not under any conditions. I had nothing to do with it. I waited until it was all over. I received the report and the published transactions. I looked them over. I then discovered that the witnesses had not been sworn. I was amazed about it. Mr. Keele's explanation to me was the fact that some sworn testimony would be taken. I was astounded at what I found. I then opened correspondence with Mr. Keele to find out why he had not done so. That is when the correspondence originated on the swearing of witnesses.

Mr. HAYS. Did you at any time want to set up another committee in this session of the Congress?

Mr. SARGENT. Another committee?

Mr. HAYS. A similar committee to the Cox committee—this committee?

Mr. SARGENT. You mean aside from this committee here?

Mr. HAYS. No. Did you at any time either verbally or in writing ask anyone to introduce a resolution setting up such a committee as we have meeting here today?

Mr. SARGENT. No. The resolution was introduced. I was back here after the resolution was introduced, and I was in favor of the resolution carrying. I did not suggest a resolution to be offered in the first place. I had nothing to do with that.

Mr. HAYS. Did any member of this committee tender you the job of counsel or approach you?

Mr. SARGENT. No, not under those circumstances, not even by suggestion or indirection.

Mr. HAYS. Did you approach anyone asking to be considered?

Mr. SARGENT. No.

Mr. HAYS. How was the contact made that brings you here today, Mr. Sargent?

Mr. SARGENT. I received a letter from Mr. Norman Dodd. I don't have the exact date.

Mr. HAYS. That is immaterial.

Mr. SARGENT. I received a letter quite recently inquiring whether I could be in any way helpful to this committee. I wired Mr. Dodd back and told him that if they desired to take care of the usual expenses that I would be willing to come back and lay the entire matter before you. I received in response to that wire a telegram from Mr. Dodd stating that my willingness to do that was greatly appreciated; that the expenses would be provided, and that I would be notified shortly. I talked with him on the phone subsequently, and I told him that I felt that if I came, I should have the protection of subpena so as to make it clearly a well-defined legal arrangement. The subpena was forthcoming, and I came. This originated in the first place at the instance of your staff, and throughout was at their request, and not my request. If that had not happened, I would never have been here at all.

Mr. HAYS. Understand I am not trying to lead you into anything on that question. I am merely trying to find out how the contact was made.

Mr. SARGENT. The contract was made at the instance of your staff. I am here at their request.

Mr. HAYS. As I understand it from this three-page mimeographed form that you have here, in which you say in the last paragraph that a considerable amount of time is required for your presentation. I assume that you have a prepared presentation there, well documented and so on.

Mr. SARGENT. I have an outline to enable me to testify. It is not prepared in the sense that it can be mimeographed and distributed and have any use. I have an outline and it is organized to minimize your time and to be orderly in its handling.

Mr. HAYS. In other words, you are sitting there with a prepared script that you cannot furnish to the committee, is that it?

Mr. SARGENT. The question is not being able to furnish the committee. I understand you want to know what I know about this subject. I have arranged notes to enable me to do this with a minimum of time and lost motion. I have such an outline for my guidance, yes. The first part of my testimony, Mr. Hays, will be devoted to this first statement here. For your convenience, as I get to other sections of this, I will try and give you some sort of agenda as best I can. I have been in town only 5 days and working constantly to put this material together after I got here.

(Discussion off the record.)

Mr. HAYS. I will ask you one more question, Mr. Sargent. In view of the fact that you do not have a prepared statement, and according to the short statement you have here, you say that it is going to be very long, you would not have any objection if the committee interrupted you at any place to try to ask you a question to clarify something?

Mr. SARGENT. No; subject to one request, Mr. Hays. It may develop that you will ask me some question which cannot be fully answered without reference to other testimony I propose to give. In a case of that kind, I would like to indicate to you the nature of the other testimony, and ask leave to respond to it later. Running questions as we go, of course, I am happy to answer.

Mr. HAYS. The committee will not try to put a limitation on your answer.

Mr. SARGENT. No; there are several blocks of testimony and one of these questions may anticipate something which I am going to cover very fully.

The CHAIRMAN. Also, Mr. Sargent, I have indicated to Mr. Hays and Mrs. Pfost that in addition to the questions they may ask as they go along, that after reading the full transcript of your testimony, if further questioning is desired, that you will become available to answer.

Mr. SARGENT. Certainly, except I do hope that it is possible to minimize my stay in Washington and do it promptly. I have to go to New York from here. If I can get through this continuously to a point where you are approximately through, I will contact the committee staff, and if you want to hold one more hearing to question me further on my testimony in coming back from New York I can do that, and perhaps that will accomplish your purpose.

Mrs. PFOST. Mr. Sargent, you have no carbon copies at all. You have only one original of your lengthy testimony?

Mr. SARGENT. I have not written out my testimony. I am giving it as I go. I have notes from which I can testify to these various facts. I haven't it written out in full, no. I am testifying and not just reading a piece of paper here.

Mr. HAYS. Let me ask you this, and I am trying again to get some clarification on this. Do you propose being specific? If you make any generalizations, are you going to try to document those, and name names?

Mr. SARGENT. I propose to be absolutely specific and to make my statements based upon documents which I personally have examined. In some cases I have the document right here and I will read from the document itself.

Mr. HAYS. In other words, you will read excerpts?

Mr. SARGENT. Yes, and I will cite the original source. I am referring to books. I am refering to manuscript material.

Mr. HAYS. All right.

The CHAIRMAN. You may proceed, then, Mr. Sargent.

Mr. WORMSER. May I first ask, Mr. Sargent, to state what educational and other experience you may have had which might qualify you to give expert testimony in this proceeding?

Mr. SARGENT. From the standpoint of educational background, I am a graduate of Stanford University, class of 1923, receiving a degree of bachelor of science in mechanical engineering, I was graduated from Hastings College of Law, which is the University of California, in 1926, being granted the degree, bachelor of laws. I was admitted to the bar of the State of California in 1926. I became a member of the bar of the United States Supreme Court in 1930. I am a member of the American Bar Association, the American Judicature Society, State Bar of California. Twenty-seven years experi-

ence in the active practice of law, and 17 of those years concerned to some extent with antisubversive work and investigations affecting American education, and particularly the public school system.

From the standpoint of specific proceedings, I participated in hearings in 1941–42, before the San Francisco City Board of Education in regard to Rugg social science textbooks. Between 1942 and 1945, I studied the progressive system of education. This was done at the request of the California Society, Sons of the American Revolution. We inquired into the textbook condition of our State schools and our State department of education at Sacramento.

In 1946, I began the inquiry which led up to the proceedings which were later brought to Congress on the so-called Building America textbooks.

I handled proceedings for the SAR before the State Board of Education of California, and later made a presentation before legislative committees on that. I drafted certain legislative bills on education for that session at the request of various parties involved. I have since studied the national aspects of this subversive teaching problem.

I am the author of the Bill of Grievances which was filed with the Judiciary Committee of the United States Senate, and the Un-American Activities Committee of the House of Representatives by the National Society, Sons of the American Revolution. I conducted the research on which that document was based.

In 1952 for a brief period in May I was employed as a consultant for staff work in research by the Senate Internal Security Committee. In 1952–53 I directed some research work conducted at the Hoover Institute Library at Stanford University on war, peace, and revolution. That is the collection of material assembled by Mr. Herbert Hoover and his associates.

I have studied curriculum and teaching methods in social studies, the philosophy and practice involved in the progressive system of education, communism in education, also propaganda, tactics and activities of revolutionary organizations, and the history of subversive movement. Likewise the legal and constitutional questions involved.

On the question here by Mr. Hays it was brought out the circumstances under which I came. I served for a number of years as chairman of the Americanization committee of the National Society, Sons of the American Revolution. I do not occupy that office at the present time. I am merely a member in good standing of the Society. I am here not as the representative of any group, but an individual citizen under subpena by you.

In the interest of full disclosure, I wish to acquaint you with this fact at the present time. I am the president and research director of a tax-exempt foundation for educational work that was recently organized but which has no funds at its disposal at the present time, and which has had no business relationships of any kind with any foundation to which I will refer in my testimony. The corporation is entitled, "Fund for American Leadership, Inc." It was organized under California law on August 17, 1953, for the purpose of training leaders in antisubversive work and studying revolutionary methods, their history, development and activities, which threaten the national security, their propaganda, impact on American institutions,

to study educational problems arising out of that condition and to determine sound and practical solutions.

I have here a certified copy of those articles which I would like to have made a part of the committee files.

Mr. HAYS. Just a minute. Let me ask you about that. Has that foundation ever had any money?

Mr. SARGENT. No. It still has no money. We are in the process of determining what contact can be made to get funds.

Mr. HAYS. I just suggest in view of some of the statements that have been made about the gullibility of some of these people you ought not to have much trouble in getting money.

Mr. SARGENT. The difficulty is that our side can't get the money, but the other side can always get it. This corporation was created to find American money to study the antisubversive——

Mr. HAYS. All you ought to do is say that in Texas and if you are any kind of salesman at all, you ought to get the money.

Mr. SARGENT. So I appear strictly in an individual capacity. That corporation is not affected in this matter. I am speaking entirely on that basis.

Now, I have a prepared statement for the committee which at this time I would like to read.

The investigation required of this committee is one of the most important matters which has ever come before the Congress of the United States. It concerns the national security, the defense of the principles set forth in the Constitution of the United States. You will find that the situation confronting you is the result of a disregard of trust responsibility—a condition amounting to abdication of duty by the trustees of the tax-exmpt foundations which have exerted such a great influence in the history of our country since the turn of the century.

In discharging its responsibility and weighing the evidence, this committee must have some standard or yardstick to apply. I believe the following are the legal and moral standards which apply to this trust relationship.

This is an elaboration of the poster we have on the board here.

Standards of foundation conduct: It is the duty of tax-exempt foundations and their trustees to observe and be guided by the following standards of conduct:

First: Patriotism. To bear true faith and allegiance to the philosophy and principles of government set forth in the Declaration of Independence and the Constitution of the United States.

Second: Loyalty. To be active and positive in supporting the United States Government against revolutionary and other subversive attacks;

To put patriotic money at the disposal of patriotic men in this field of education to enable them to support and defend our Constitution and form of government.

Third: Obedience to law. To faithfully obey the laws of the United States and the provisions of State law under which foundation charters are granted;

Fourth: Respect for exemption. To use the tax-exemption privilege in good faith, recognizing the purpose for which that privilege is granted;

To refrain from supporting communism, socialism, and other movements which (1) increase the cost of government, (2) endanger the national security, or (3) threaten the integrity of the Federal Government.

Mr. HAYS. Right there, I am going to stop you and ask you a question. That is a very fine statement, but if you refrain from supporting everything that the Republican campaign orators called socialism, then you would be against everything that has been passed by the Congress in the past 20 years. Is that your definition?

Mr. SARGENT. No, sir. When I talk about socialism in my testimony, Mr. Hays, I mean socialism of the kind advocated by the Fabians of Great Britain, which has ruined the economic system of that country, not individual projects which may seem wise for some purpose or other on their own merits.

Mr. HAYS. I won't debate with you what has ruined the economic system of Great Britain or even say that Time magazine, a week or two ago, talked about the remarkable recovery and the great dollar balance. We will leave that out. Would you consider bank-deposit insurance to be socialism?

Mr. SARGENT. No; not within the scope of what I mean here.

Mr. HAYS. We want to get this term straightened out, because it has been too widely applied.

Mr. SARGENT. I am very happy to do that.

Mr. HAYS. How about old-age insurance?

Mr. SARGENT. No.

Mr. HAYS. Social security and unemployment insurance?

Mr. SARGENT. No.

Mr. HAYS. You would not consider any of those to be socialism?

Mr. SARGENT. I am talking about nationalization of business and industry, a government-operated system which is national socialism or Fabian socialism.

Mr. HAYS. We will try to get one maybe you can get in on. How about TVA?

Mr. SARGENT. I think that is doubtful.

Mr. HAYS. That is in the sort of gray area?

Mr. SARGENT. You are not asking my policy on legislative matters now?

Mr. HAYS. No; but you are throwing these terms around, and you are going to continue, I am pretty sure, and I want to get a delineation of what is and what is not socialism when you use the word. You say it is Fabian socialism. You may understand that and I may have some smattering of what it means, but, if they put that in the newspapers, to 99 percent of the people it is going to mean nothing. So I am trying to get this down——

The CHAIRMAN. Since TVA has been interjected, may I also make a comment on that. I think I can do so objectively. The TVA was started initially purely as a defense project for the purpose of manufacturing nitrogen which was then not available in adequate and insured quantities. That is back in World War I. Then in connection with the expansion of the development it was based upon flood control, which is a very important phase of the TVA development. Then since the expenditures were being made for flood control and defense, there was an incidental development, which was power. I think all

engineers recognize that if the Government was going in to develop the river for adequate flood-control purposes, as well as defense, that then adequate provision must be made for the development of the river for power purposes.

The only question remaining to be decided was the manner in which the power development should be carried out. I think there was never any question after the Government moved in but that the Government should construct the dams. The question arose as to the manner in which the power should be distributed. That is the key question.

If you will pardon me, since the question has come up and it comes up frequently, a sharp difference of opinion existed—I was chairman of the subcommittee that drafted the original Tennessee Valley development and was chairman of the House conference committee.

One of the very sharp differences between the Senate committee and the House committee was with reference to the distributing of the power. As an individual, and I was supported by the majority of the House conferees, I opposed the Federal Government establishing a sprawling power-distributing system, and advocated instead that the local authorities be permitted to organize companies for the distribution of the power. When the TVA Act in its final form was adopted, that policy was embodied in the act. So that the Federal Government does not distribute the power. I think this is an important thing to keep in mind. The government outside of its defense and flood-control aspects generates the power and sells it wholesale to the various distributing agencies, which in the main are owned by municipalities. If desired, those distributing facilities could be owned privately, as I recall, but it happens that none of them is.

I think when we get to questioning the socialism aspect of TVA, it is well to keep in mind just what the TVA is; and that is the reason I am taking a little while here to make this explanation with reference to the Tennessee Valley Authority in view of my intimate relations with it from its very inception.

Mr. HAYS. Just let me say a word or two to clarify a couple of things. In the first place, the incidental bydevelopment, which is power, is the thing that put refrigerators in the kitchens and better food on the table, and, in many cases, shoes on the feet of a lot of people down in east Tennessee and other areas around there. I am using that in a rather facetious way, but I am saying that it has created jobs where there were no jobs, and it has been good for the whole economy. The only way we did it differently in my district—we had the power there, but we had no way to distribute it.

The record will show that I have been objecting strenuously as a member of an REA co-op to building our own power facilities when there was plenty of power to buy. So we built the distribution plant and we did it in reverse. I am aware of the sharp differences of opinion. I was interested in getting power to the farmers. We do have it. The power companies generate it and sell it to the co-ops who sell it to their members. It is an interesting example of private business and cooperatives working hand in hand to the mutual profit of both.

The only reason I have brought up TVA is because it has been called and has become associated in the minds of a great many people with the term "socialism." I wanted to know when we are using the term here what it does and does not cover.

Mr. SARGENT. When I use the term "socialism," I refer to the political movement which is known as the Socialist movement. The movement which is working for a general program of planned economy based on nationalization of industry, business, national resources, and credit. The political operation of a nation's economy, not fragmentary things. Politics is something which these foundations are not supposed to go into, and I think they have no right to undermine the basis of their exemption by doing things of that type.

Mr. HAYS. We will get to that in your specific accusations.

Mr. SARGENT. The fifth standard here is academic responsibility. This is a part of my concept of standards of foundation conduct.

Academic responsibility requires these foundations to limit their activities to projects which are, in fact, educational, and are conducted in an academically responsible manner in accordance with proper academic standards;

To refrain from using education as a device for lobbying or a means to disseminate propaganda.

That is the end of the statement of standards.

The money administered by these foundation trustees is public money. The beneficiaries of these trusts are the American people; the parents of children in our public schools. Education is a sacred trust. A high degree of integrity is expected of those connected with it. We must consider the ethical duty of foundation trustees from that standpoint.

Serious charges have been made against the foundations: It is your duty to answer these questions; to find solutions and perhaps recommend legislative action. I intend to be objective and give you the facts; to present the truth without fear or favor. This presentation will cover the history of the subversive movement; it will outline the boundaries of the problem; discuss the most important ramifications, and endeavor to give the data required for your consideration.

The subject is important, and also complex. Under the most favorable conditions, a considerable amount of time is required for my presentation.

The CHAIRMAN. Now, reverting back to the TVA, because reference was made to wearing shoes.

Mr. HAYS. I am glad to discuss that with you all afternoon.

The CHAIRMAN. I might say that some of them wore shoes down there before TVA.

Mr. SARGENT. Inasmuch as this matter touches directly on education and involves a degree of criticism, I think it fair and proper for me to state very briefly my position on the question of public education and the public schools. It is as follows:

I support the public-school system and recognize its necessity to make our system of government workable in practice. I believe it is necessary and essential to maintain the integrity of that system and protect it from subversives, political action and other pressure groups. I believe in the fundamental integrity of the average teacher. I am convinced that the best interests of the teaching profession will be served by the investigation to be made by this committee, and that such an inquiry will restore integrity in the educational profession and enable the schools to regain the position of confidence and esteem they should have in the hearts of the American people.

Mr. HAYS. You are saying by inference that they do not have that position at the moment?

Mr. SARGENT. I think they have lost it to a degree, Mr. Hays, because of the tactics to which I refer.

Mr. HAYS. You talk about California. But I want to put in the record right here that the schools in Ohio have not lost the confidence of the people, and they have not lost any integrity, and they are just as good as they ever were; in fact, they are a little better.

Mr. SARGENT. Have you seen the magazine articles about the people being concerned about the conditions of their schools nationally?

Mr. HAYS. Do you believe in astrology?

Mr. SARGENT. No, sir; not I.

Mr. HAYS. Could you give me any reason why there are so many peculiar people drawn to southern California?

Mr. SARGENT. I don't live in southern California, and I wouldn't know.

Mr. HAYS. You know, it is a funny thing, but every time we get an extremist letter in my office—and it is either on the left or the right—you don't have to look at the postmark. It either comes from southern California or Houston, Tex. I just wonder if there is some reason for it.

Mr. SARGENT. I think, Mr. Hays, you will certainly want to reserve your judgment about this question of the schools' integrity being involved until you have heard the evidence in this case, and I would like to present it from that point of view.

Mr. HAYS. I just want to put in about the schools in Ohio. If you have any evidence to the contrary, we will get down to specific cases.

Mr. SARGENT. I know nothing about the Ohio situation specifically, either pro or con.

Mr. HAYS. I thought not. I know a good deal about it. I happened to be a teacher there. I have a lot of friends who have positions as superintendents and executives in the school system from the large to the small cities. There is no question about it. Not even some crackpots in our legislature who have wanted to investigate everything else have investigated the schools, because there is no demand or reason.

Mr. SARGENT. I am giving you facts and not opinion. First of all, in approaching this problem of the foundation influence, the subversive-teaching problem is a foundation problem, and the foundation problem in turn is a political problem with many ramifications. From the American standpoint it had its beginning shortly before the turn of the century in the 1890's. This movement is closely related to Fabian socialism, which became established in Great Britain about 1885, and developed into the movement which has undermined and almost destroyed the economic system of Great Britain.

When the beachhead was established in our country, we had three bulwarks of defense: First, there was a sound tradition founded on Americanism; secondly, a written Constitution, and finally, Federal judicial power in the courts capable of enforcing constitutional rights.

The radical intellectuals attacking that system relied upon propaganda and brainwashing. They organized an attack upon patriotism, challenging basic American philosophy founded on the doctrine of natural law. They sought to create a blackout of history by slanting

and distorting historical facts. They introduced a new and revolutionary philosophy—one based on the teachings of John Dewey.

As early as 1892 they sought to establish the Federal income tax to pave the way for national Federal socialism. This had the effect of putting the people on an allowance, giving the National Government unlimited power to spend for socialistic purposes, and reducing the people to its will. It was proposed to carry out other parts of the socialistic program by false and slanted propaganda.

Eventually the judicial power itself was to be undermined by court packing and by attacks calculated to make the courts subject to the Executive.

Education is one of the vital areas involved in this attack on the American system. The field includes not only elementary and secondary schools, but also our colleges and universities. The tax-exempt foundations are directly involved, because they have supported this movement in the past, and are still promoting it in ways which restrict educational activities and control public opinion.

The history of this movement is a record of the greatest betrayal which has ever occurred in American history. Those are conclusions based on the evidence I will present to you, and I am here for the purpose of proving them.

To understand these condition, it is necessary to trace briefly the history and development of the American subversive movement.

Mr. HAYS. Mr. Chairman, I want to object to going further, and I want to make a motion that the committee adjourn until we settle this matter. This fellow can come in and read a political speech which he has had plenty of time to prepare. He has a mimeographed news release to the newspapers to get his views across, but he can't do it for the committee. I don't know who mimeographed this for him, but it looks like it came from the staff. Until we get a vote of the committee in executive session, I move right now that the committee adjourn.

The CHAIRMAN. With reference to the mimeographing, the chairman suggested to the staff that he thought it would be a convenience to the press to have a release for the press in advance.

Mr. HAYS. The press is here, and they can decide for themselves about these kinds of people. They do not have to have any spoon-fed stuff. I don't give them any of mine.

The CHAIRMAN. The extent of the mimeograph of the release I had no responsibility for.

Mr. HAYS. This kind of stuff goes in the paper. Suppose it is true? I do not know whether it is or not. But we will give it the benefit of the doubt. It is in there. If it is not true, it is still in there, if the press uses it, which I doubt.

The CHAIRMAN. But it is convenient to the press to have a release in advance with the dateline on it.

Mr. HAYS. Yes, sir, it is a convenience for them to have a dateline at the same time the committee meets so the press has it, and the public has it before the committee hearing.

Mr. SARGENT. This statement was prepared because it was my understanding that it was your desire to have some statement. That statement is a summary of the historical material.

Mr. HAYS. I am not finding too much fault with you. I would like to have the record show that the committee was not notified you were

subpenaed. We understood you were going to be a witness. We are either going to have some orderly procedure here, or we are going to adjourn and let the majority decide. If they are going to run it, then let them get on the record.

The CHAIRMAN. It is the chairman's thought that all of the witnesses should be subpenaed, and should be put under oath. That is the procedure which we are following. I think in fairness to the witnesses they should be subpenaed and they are all put under oath, and everybody is on the same basis, and in the same category. That is the orderly procedure. We adopted that procedure at the suggestion of Mr. Cox, which I think would serve for that matter as a standard. Everybody that has a story is going to have an opportunity to tell his story. None of us has any spare time that we want consumed, unless we are accomplishing something by it.

You, as I have, sat on many committees. The witnesses do not always have prepared, complete statements in advance. Frequently they do have comprehensive notes prepared, which serve as a basis——

Mr. HAYS. Mr. Chairman, if I may interrupt you, there is a principle involved here, and that is that everything that Mr. Sargent has read up to now since he started reading was furnished to the press with a 10 a. m. deadline in a mimeographed form, and it was not furnished to this committee. If we are going to do this business by indirection by the back door, and by getting the drop on certain members of the committee, I want to know it right now.

Mr. WORMSER. Don't you have a copy of the release?

Mr. HAYS. Yes, I got one from the press just now.

Mr. WORMSER. It was not on your desk?

Mr. HAYS. No, it was not. If you want to debate this now, I make a motion now that we adjourn and go into executive session.

Mr. WORMSER. Mr. Hays, Miss Casey told me she herself put a copy on your desk.

Miss CASEY. I put all three things on each member's desk.

Mr. HAYS. All right. There are three things; one, a cover sheet; two, a special release, and this; I do not have it. That is what Mrs. Pfost has. I am not saying that it was intentional, but I am saying that it happened that way. There is a principle involved here. There is an indictment of the whole American educational system here, which was fed out to the press in a mimeographed copy and read to the committee at 11 o'clock. The press has had it God knows how long: "Hold for release 10 a. m. Monday morning."

Mr. SARGENT. May I proceed with my evidence?

Mr. HAYS. No, you may not proceed until we either adjourn or I am voted down, one of the two.

Mr. WORMSER. Mr. Chairman, may I state that the press has asked us specifically whenever we can to give them some sort of digest of what the witness is going to testify.

Mr. HAYS. The press has not been alone about that. I have been pleading with you for the same thing for the members of the committee.

Mr. WORMSER. May I go on. I understood it was proper procedure for us to do that. We have done it with considerable effort. It is not easy to get these things out. We are trying to suit the convenience of the committee, and to the extent that the press is involved, their convenience also.

The CHAIRMAN. I might say that so far as the staff is concerned, they have resisted doing it. It was at my insistence that they did it, because of the great inconvenience that it occasioned them, and the facilities of the staff. I insisted that it should be done. I am sure that they worked overtime. It was not for the purpose of advancing any view or the interests of any phase of this subject under investigation, but purely based upon my long years of experience here in Washington, the convenience of the press having something in advance. That is all there was to it. I am at a loss to understand——

Mr. WORMSER. Mr. Chairman, may I interrupt to suggest that the gentlemen of the press here would certainly be willing to state, I am sure, that they pleaded with us to give them this digest.

Mr. HAYS. We can put them on the stand and let them state that. That doesn't change my mind a bit. If they are entitled to have it, the committee is entitled to have it.

Mr. WORMSER. The committee has had it.

Mr. HAYS. Yes, just now, because I raised a rumpus about it. We got it only by accident because one of the boys from the press table brought it over.

Mr. WORMSER. I beg your pardon. Miss Casey distributed them.

Mr. HAYS. Miss Casey admits through some oversight we did not get it. I don't want you to blame Miss Casey.

The CHAIRMAN. Mrs. Pfost, you had one?

Mrs. PFOST. No, this gentleman of the press handed it over to me, and then gave me a second one.

Mr. WORMSER. Miss Casey has made the definite and flat statement that she put a full set in front of all five committee members.

Miss CASEY. I put a full set before each member.

Mrs. PFOST. Here are the three articles, but not the press release.

Mr. HAYS. I didn't eat it, and it is not here. I have not moved out of this chair since I have been here.

The CHAIRMAN. Why don't we proceed? I will call a meeting of the committee during the afternoon to discuss any questions of procedure.

Mr. SARGENT. May I continue, then, Mr. Reece?

Mr. HAYS. You can continue and I will withdraw my objection, but now I will start asking a few questions about this press release I just got.

You say "when the beachhead was established in our country." You are talking about what beachhead?

Mr. SARGENT. The beachhead of the organized Socialist movement which had its inception in Great Britain under the Fabian tactic, and which came in here to infiltrate our educational system.

Mr. HAYS. You apparently know there was a beachhead. When and where was it established? When was the first landing made?

Mr. SARGENT. A definite landing was made as far as becoming an effective agency in about 1905 with the organization of the Intercollegiate Socialist Society. That is one of the points I am going to cover in my testimony when I get to it.

Mr. HAYS. We will get to it a little in advance. What was the name of the organization?

Mr. SARGENT. Intercollegiate Socialist Society, organized by Jack London and a number of others, in Peck's Restaurant in New York City.

Mr. HAYS. In 1905?

Mr. SARGENT. About 1905.

Mr. HAYS. By Jack London?

Mr. SARGENT. Yes.

Mr. HAYS. Is that the Jack London that used to write some books?

Mr. SARGENT. That is right, that is the man. I have a pamphlet explaining that which I will read to the committee when I get to that point.

Mr. HAYS. Did he import this thing from some other place?

Mr. SARGENT. He was a member of a radical intellectual elite that came in here definitely to try to twist our institutions around in favor of the organized socialist movement.

Mr. HAYS. Back in 1905.

Mr. SARGENT. Yes. Some of the background extends further back than that, but that is a definite identifiable date.

Mr. HAYS. They did a lot of twisting, I assume?

Mr. SARGENT. They sure did.

Mr. HAYS. We have resisted pretty well for 50 years, haven't we?

Mr. SARGENT. Have we?

Mr. HAYS. I am asking you. What do you think?

Mr. SARGENT. I think we departed very materially. Among other things, it is plainly asserted and charged today that the doctrine of inalienable rights and natural laws as set forth in the Declaration of Independence is obsolete. They have accomplished that false belief in the American mind.

Mr. HAYS. Now, Mr. Sargent, you would not want to take a poll down on the street and ask the first 100 people you meet if they believe that?

Mr. SARGENT. No. I am talking about the slanting of the courts and the governmental procedure.

Mr. HAYS. All the courts have been undermined, too?

Mr. SARGENT. Somewhat, yes.

Mr. HAYS. Congress, too, I suppose?

Mr. SARGENT. I am not going into all that. I am here to give you the chronology and facts, Mr. Hays, by documents, and not my personal opinions.

Mr. HAYS. Let me tell you just because you say it is so doesn't make it a chronology or a fact.

Mr. SARGENT. I am giving the evidence. I state my conclusions as set forth here. I am going to cite the books and materials which make that position maintainable.

Mr. HAYS. There may have been a fellow by the name of London and some others who believed in socialism, but what are you going to do about it? Did they have a right in 1905—I am not asking as of today—to believe in whatever they wanted to believe?

Mr. SARGENT. I am not questioning the right. I am telling what they did. I am here to prove the allegation by means of the evidence and I would like to go on with it.

Mr. HAYS. You were satisfied to distribute that statement of yours to the press, and I am not going to be satisfied until I find out a bit more about it until I find out how you picked these sentences——

Mr. SARGENT. I am here for the purpose of proving it.

The CHAIRMAN. Most of the sentence to which you refer was repeated in the statement which he has made. Mr. Sargent has a

presentation to make. The chairman's feeling is that it would be helpful and it would be in the interest of conservation of time and orderly procedure, I do not mean without interruption, if he would be permitted to proceed in a reasonably orderly manner to complete his testimony. There are numerous questions which I am sure that I for one will want to ask him as we go along or later. But if we move along, I think it would be in the interest of good procedure.

Mr. HAYS. Mr. Chairman, I want to say this, that the thing that concerns me is: If such a thing has happened, that is one thing. I would like to be specific about it, and I am going to continue objecting to this kind of presentation. Let me read why: "They organized an attack on patriotism. They sought to create a blackout in history. They introduced a new and revolutionary philosophy. As early as 1892 they sought to establish"—this has all been handed out to the press with an awful lot of pronouns in there. What I want to know is who are these people. Let us start from the beginning and name names and do it right.

The CHAIRMAN. That is what I would like to know. I would like for him to proceed with his statement and see if we can find out.

Mr. SARGENT. I will give you exactly that information chronologically on the basis of books by going through this thing. I can't answer your questions in one sentence.

Mr. HAYS. No, but your statement to the press, Mr. Sargent—and you won't sit there and deny it—was deliberately designed to create an impression that education all has got an odor about it.

The CHAIRMAN. Mr. Hays——

Mr. HAYS. You can hammer all you please, but you are not going to shut the minority up. You have mimeographed statements but you are not going to silence me.

The CHAIRMAN. I am not trying to silence anyone.

Mr. HAYS. You are not going to, either.

The CHAIRMAN. I want to take the responsibility myself for a statement being prepared for the press. I am the one who insisted on it. Mr. Sargent knew nothing about it. The members of the staff did not prefer to do it, and I suggested that I thought it ought to be done even at great inconvenience to the staff.

Mr. HAYS. Who wrote it?

The CHAIRMAN. As to that, I do not know. It was mimeographed, I am sure, at the instance of the staff.

Mr. SARGENT. The statement was prepared by me by request. I did not originate the idea of having one. I did it because I was present at your hearing the other day——

The CHAIRMAN. The responsibility for the statement being given out to the press is the chairman's.

Mr. HAYS. All right. It is the chairman's.

The CHAIRMAN. He did not know there was any or could be any controversy on that phase of it, I might add.

Mr. HAYS. You do not realize how easily you can get into a controversy with me.

Mr. SARGENT. I was here the other day, Mr. Hays, and I heard your request that statements be furnished, and I assumed I was furthering your wishes in the matter.

Mr. HAYS. You sure would, if I had the statement at 10 o'clock or 5 minutes until 10.

Mr. SARGENT. I prepared it, as I understood you wanted statements furnished.

Mr. HAYS. I have said repeatedly that I am not blaming you. The point I am making, and I want to make it perfectly clear, is this: I have tried to insist from the very first meeting we had that this thing be conducted objectively and in the interest, to use your own terms, Mr. Chairman, of orderly procedure. There have been a lot of people and a lot of organizations and a lot of institutions that have had a lot of things said about them, both by written statements and in the hearings. I haven't heard any of them. I have not been able to get a commitment that any specific one of these people is going to be allowed to come in and tell his story. You know what happened in the McCarthy hearings. They kept Stevens on the stand for 14 days until they wore him out and wore the public out, and they got one impression across to the people's minds, and the other side is not going to get into the papers unless it is a lot more sensational than I think it is going to be. This is the same technique. We will put out the sensational accusations and get it in the paper on page 1, and if they are not true, if these people come in, that will get on page 16, and who is going to read it anyway.

The CHAIRMAN. The chairman has stated that he has not made any plans about publicity. He has not been interested in that phase of it. What he is interested in is developing the facts with the view of the facts ultimately forming the basis of a report. It is the long-range results that the chairman is interested in and he has made no efforts—and I am sure the members of the press will bear me out in this—to try to get over to the press any idea, preconceived or otherwise. I am sure that some of the press have looked at the chairman somewhat critically because of his failure to give information about the committee. I wanted to wait until the facts were developed and let the press develop its own view. The chairman has certainly not tried to publicize himself. He does not care whether his name is ever in the paper. As far as publicity is concerned, I have reached the period in my life where I am not looking for publicity, I am not looking for any clients, and not looking for anything further in the way of personal advancement. The chairman is interested in only one thing, and that is helping this committee do a good job, which I think the country is interested in. I am not going to lose my patience. I do not have any time to spare, but I am going to take whatever time is necessary in order to do what I can toward helping accomplish the job.

I want to provide every opportunity for the views which occur to you as we go along to be advanced, Mr. Hays.

Myself, I am very much interested in getting the story which Mr. Sargent, who has now for some 15 years been intimately associated with on this whole subject, and the proof which he might or might not have to support what he has to say. I am not accepting what he has to say as being factual until he has completed his statement, and I see what he has to support it.

Mrs. PFOST. Mr. Chairman, since we have this report here before us, this release, I wonder if I might ask Mr. Sargent a couple of questions that are embodied in the release?

The CHAIRMAN. Yes.

Mrs. PFOST. I notice on the bottom of page 1 and carries on to page 2:

As early as 1892 they sought to establish the Federal income tax in order to pave the way for national Federal socialism.

This statement would indicate that you feel that the Federal income tax has brought about socialism, and that it is a socialistic procedure.

Mr. SARGENT. I think it has had a tremendously powerful effect in doing exactly that in two ways. One way is placing very, very large amounts of money at the disposal of the Federal Government to spend, and the other way is the resultant control which it has had upon the people. At the national level, a general socialistic program would be impossible without that tax.

Mrs. PFOST. Do you think we should not have a Federal income tax?

Mr. SARGENT. I think the power of the Federal Government to tax income should be very strictly reduced in order to prevent the invasion of the sovereignty of the States, and let the States do it. I think it is. The average workingman works 1 day a week to pay this tax. It is a soak-the-people tax as it is operating now.

Mrs. PFOST. It is what?

Mr. SARGENT. Soak, soaking the people and subjecting them to the power of the Federal Government.

Mrs. PFOST. Then you would eliminate completely the Federal income tax and allow the States to take care of their taxes?

Mr. SARGENT. I would not eliminate it completely. I would put a ceiling on it, and not have the Federal Government absorb most of the available revenues. Let the States spend their own money where the people can control the projects at a local level and not be subjected to Washington.

Mrs. PFOST. What would you do when these emergencies arise, such as we have had—war emergencies?

Mr. SARGENT. I am thinking of the tax-limitation proposal advanced by others, which includes an emergency clause allowing higher taxes to cover defense or other emergency.

Mrs. PFOST. Then you would still have to revert back to a Federal income tax to take care of national emergencies.

Mr. SARGENT. When the emergency was over, the tax would go back to the limited rate. However, that is not germane to what I am presenting here.

Mrs. PFOST. It will be one of those things which is going out to the press today. To me it is an insinuation that the Federal income tax paves the way for national Federal socialism, and certainly we have Federal income tax today, and I wanted to clarify whether or not you believe the Federal income tax is a socialistic measure.

Mr. SARGENT. I can add another point. If you will look at the Federal budget in 1892, when this tax was first proposed, you will find the Federal Government did not need any such revenue at all. It did not need a tax of this kind for its fiscal purposes at all. The Federal budget was very low. The Federal Government always had the power to tax inheritances. The courts sustained that. Here we have a case where a tax capable of this great abuse was actively proposed and put over when there was no money need for the tax.

There was some other reason. In the light of developments, there are many, including myself, that ascribe an entirely different purpose

to it. The purpose being to pave the way for Federal control on a very, very broad scale. It occurred at a time when this Socialist movement was moving in. My conclusion is that it was done for that purpose, and I think that is a correct assumption.

Mrs. POST. In other words, you are practically saying that you feel that the Federal income tax is used for furthering socialistic measures.

Mr. SARGENT. It is establishing that; yes. Without the Federal income tax, national socialism in the United States would be practically impossible to accomplish. The Government could not do it. The abuse of the tax power is one of the most serious things we have had here in altering our entire balance in government. It has made the States paupers and compelled them to come to Washington to get their money and submit to the conditions imposed on them to get their own money back.

Mr. HAYS. That is a pretty broad statement without much foundation.

Mr. SARGENT. You ask——

Mr. HAYS. I am not going to ask anybody. My State didn't have a nickel of bonded debt until last year. It is against the State constitution, so it was not a pauper. But there is a way they can go into debt if they want to, and that is by vote of the people. So all through the years instead of building roads by selling bonds, as North Carolina did, the people of Ohio have chosen not to do that, but come down to get the money from the Federal Government when they could. They didn't come as paupers. So last year they decided in their wisdom by an overwhelming vote—and I didn't think it was such a good idea then and it may turn out it is not yet—but the people voted, they bonded the State for half a billion dollars to build the roads, but they did it by vote of the people.

Mr. SARGENT. You had in Taft a great American who has represented some of the philosophy I speak of.

Mr. HAYS. Taft was a great American, and you and I can agree on that. He was one of the great Americans of all time and knowing him as I did, if he were sitting here today, he would be just as bored with this procedure as I am.

To get back to your statement, you are making the flat assertion here that the income tax started out as a Socialist plot to destroy the Government. That is what your statement says.

Mr. SARGENT. It had that purpose on the part of the Socialists who advocated it, yes; that is my opinion.

Mr. HAYS. But your statement implies, if it does not flatly say, that the people who passed the income tax were involved in this.

Mr. SARGENT. The people did not think that. They thought they were buying something else. They found out later they were buying a larger package than they had any idea.

Mr. HAYS. The people can stop the tax and repeal it.

Mr. SARGENT. They can do it by constitutional amendment.

Mr. HAYS. They can do it by changing the Members of Congress in a democracy.

Mr. SARGENT. That is right.

Mr. HAYS. If this were a great Socialist plot and they thought they were being robbed, they could change the Congress.

Mr. SARGENT. I am not here to discuss the political science problem involved in the tax.

Mr. HAYS. You are here saying this.

Mr. SARGENT. I am pointing out that the circumstance can be weighed properly in the light of the history of the time which I am proposing to give you, dates and circumstances, so you can integrate the relationship of this pattern.

Mr. HAYS. But it is your opinion that the income tax was first introduced as a result of a socialist plot.

Mr. SARGENT. I think the radicals of that period had precisely that in mind, yes.

Mr. HAYS. Do you have any other legislation that you think came about as a result of a socialist plot?

Mr. SARGENT. I don't know of anything in particular at this time that occurs to me. I am talking about the broad pattern and not the whole series of legislative enactments. I don't think that is pertinent to your inquiry here.

Mr. HAYS. It is pertinent in view of this statement to ask you if you think that people should be taxed according to their ability to pay.

Mr. SARGENT. I said the Federal Government's power to do it. The States have that power. I am talking about the Federal Government's power to do the taxing and to control the States through this type of thing.

Mr. HAYS. You have implied here that you have a great deal of reverence for the Constitution. The Constitution gave the Federal Government certain powers to tax.

Mr. SARGENT. I am talking about the 16th amendment power to tax the people without limit.

Mr. HAYS. But that is part of the Constitution, is it not?

Mr. SARGENT. Yes.

Mr. HAYS. Put in there in a constitutional manner.

Mr. SARGENT. Yes, and I am saying that constitutional proposal as far as the radicals were concerned was deliberate to make Federal national taxation a possibility.

Mr. HAYS. They started out on the 16th amendment to make Federal national socialism.

Mr. SARGENT. I think that was part of the scheme. I am talking about the Federal tax.

Mrs. PFOST. The reason I am asking you this, Mr. Sargent, is because the news release has been given, and I thought it should be explored and clarified before we adjourn today. The last paragraph——

Mr. SARGENT. On page 2 or page 1?

Mrs. PFOST. On page 2. I might go back to "Eventually," the last sentence of the first paragraph on page 2:

> Eventually, the judicial power itself was to be undermined by "court packing" and by attacks calculated to make the courts subject to control by the Executive.
>
> Education is one of the vital areas involved in this attack on the American system of government. The field includes not only elementary and secondary schools, but also our colleges and universities. The tax-exempt foundations are directly involved because they have supported this movement in the past, and are still promoting it. * * *

You feel that the foundations are directly involved in supporting this type of thing. You are making that allegation with regard to the educational system in America.

Mr. SARGENT. That is right.

Mrs. PFOST. And you say that the history of this movement is a record of the greatest betrayal that ever occurred in American history.

Mr. SARGENT. I think that is a correct statement.

Mrs. PFOST. Do you feel that these tax-exempt foundations are knowingly placing their money in the hands of and stimulating this type of socialistic method?

Mr. SARGENT. I think they are doing it on purpose, yes, deliberately. There is such a record of continuous notice, failure to do anything——

The CHAIRMAN. I am very anxious to get his testimony.

Mr. SARGENT. I can answer this much more fully.

Mr. HAYS. Mr. Chairman, if some of the spectators can't keep still I suggest you get the sergeant at arms to clear them out. I am tired of the whispered advice.

Mr. SARGENT. May I say it is difficult to answer fully and clearly questions like this because it includes evidence I am going to put in. After the evidence is in, I can answer you much better.

Mrs. PFOST. I realize that, but I was thinking that with this type of statement going out, perhaps we were enlarging on that one phase of it and could get some direct answers.

Mr. SARGENT. I will elaborate further. It is my opinion that the Rockefeller, Ford, and Carnegie Foundations are guilty of violation of the antitrust laws and should be prosecuted. I have evidence I am going to present here on that subject and court decisions. I think they are violating the prohibition against restraint of trade, and that this is being done on purpose.

Mr. HAYS. Why don't you turn that evidence over to the Attorney General?

Mr. SARGENT. You can decide what to do with it after you have the material.

Mr. HAYS. This committee is not going to decide what to do with it. If you want my opinion, the committee ought to dispense right now without more of this.

Mr. SARGENT. I am here on subpena to give you the facts. I would like to do it.

Mr. HAYS. I am going to explore this statement of yours to try to get some facts about it, if I can.

Mr. SARGENT. My answer is that I think this was done on purpose and knowingly.

Mr. HAYS. You say, "Eventually the judicial power itself was to be undermined by court-packing"; just how were the courts packed?

Mr. SARGENT. By the Roosevelt proposal of 1937 in February, and the attacks on the judiciary which preceded it.

Mr. HAYS. It didn't pass.

Mr. SARGENT. No, but there was a continuous policy of loading judicial appointments for years with men of a specific philosophy and discriminating against others who held counterphilosophy.

Mr. HAYS. In other words, the courts were loaded all the 20 years the Democrats were in with Democrats; that is a very unusual situation.

Mr. SARGENT. I am not talking about Democrats. I am talking about men having a philosophy similar to that which actuated the so-called left-wing group.

Mr. HAYS. The courts have been loaded a little bit along the way by the present Chief Executive. He appointed the Chief Justice. Perhaps the most significant social decision the courts ever handed down has been the one they handed down last week, and with all of this packing of these peculiar people they came up with a unanimous decision.

Mr. SARGENT. I am not talking about that decision.

The CHAIRMAN. You do not mean to say that the President is trying to pack the courts?

Mr. HAYS. I am not accusing him of anything.

Mr. SARGENT. In 1936 in October, before the Presidential election, a group of educators sponsored and printed and put in the hands of American schoolchildren a schoolbook advocating a plan to pack the Supreme Court of the United States. I say that is a deliberate attack on the judiciary, in the educational system, and I have the evidence.

Mr. HAYS. You say that was a deliberate attack on the judiciary. Do you realize that the Supreme Court has not always been composed of nine members? There was one time when it had more. Was that an attack on somebody?

Mr. SARGENT. I think my answer, Mr. Hays, is this——

Mr. HAYS. In other words, anybody who disagrees with you and your very peculiar beliefs, as I have seen them outlined here, is attacking the system; is that right?

Mr. SARGENT. I want to answer your question; yes. I think the Senate Judiciary Committee finding that this court-packing bill was dangerous and unparalleled is sufficient justification for my statement. The unanimous report of the Senate Judiciary Committee. You asked me for my authority. I have in my possession a schoolbook advocating the court-packing plan and putting it in the elementary, and I think it was the secondary classrooms in those days before the presidential election, and before the Congress of the United States got the court-packing bill.

Mr. HAYS. All right, that happened.

Mr. SARGENT. Yes.

Mr. HAYS. I was not here when you say it happened.

Mr. SARGENT. It proves educators did it, does it not?

Mr. HAYS. Mr. Chairman, I hate to do this, but I will have to ask some person be put out if they cannot refrain from heckling. I admit there are a lot of people who do not agree with me and that is all right.

Mr. SARGENT. May I again request leave to follow my testimony?

The CHAIRMAN. I was going to ask that the spectators be careful not to make interjections.

Mr. HAYS. I do not mind it for a day or two, but this has been going on with one person since the hearing started. I do not know whom she represents and where she comes from, and she has a right to her opinion, and she has a right to write me a letter, but I do not want any hand and arm signals.

Mr. HAYS. To go back to one other thing, do you agree to any change? It has been advocated for a long time in textbooks and otherwise that the voting age should be lowered to 18. Do you find anything significantly wrong with that?

Mr. SARGENT. I have never thought much about it. It is not within the scope of what I am presenting here. I don't really know.

Mr. HAYS. Of course, it is within the scope, because you are inferring that because somebody suggested that maybe 11 would be a better number than 9 that is un-American.

Mr. SARGENT. No, I am talking about the use of foundations and the educational system for partisan political purposes which has been done and which I am prepared to prove. That is what I am here for.

Mr. HAYS. Do you think that lowering the age limit to 18 is a partisan political purpose?

Mr. SARGENT. I think for an educational system to advocate it is lobbying and prohibited by statute; yes.

Mr. HAYS. You don't think a teacher in a classroom would not have a right to bring it up in a class of American Government and get some discussion and opinion?

Mr. SARGENT. I am not talking about that. I am talking about a foundation promoting that concept with its money. Congress said it should not be done under section 101, and I understand you are here to get evidence of that kind, that they have actively promoted issues.

Mr. HAYS. Do you think if a foundation gave somebody money to advocate it in a book that that would be bad?

Mr. SARGENT. If the book was objective; no. Slanted presentations of issues is prohibited here. Suppression of the right of critical analyses of scholarly findings is definitely an infringement of your statute.

Mr. HAYS. Do you believe that through any book that I happen to hand you or I could go through any book on the subject you hand me and delete paragraphs here and there, that would make it slanted any way we wanted to slant it?

Mr. SARGENT. I am not talking about deleting paragraphs. I am talking about a consistent policy of always supporting one side of the controversy and never doing anything in support of the other. That is propaganda.

Mrs. PFOST. You feel that the foundations have used their money to that extent?

Mr. SARGENT. I think definitely they have. I think that is the crux of this matter.

Mrs. PFOST. You think they have not used their money on constructive books, but they will give out great donations on the subversive type of literature and further that type of printing entirely?

Mr. SARGENT. Yes. I am convinced of it. In fact, I have been told that by people in the profession. Prof. John C. Almack, formerly of the Stanford School of Education, told me one time that it is a waste of time trying to get any money from the foundations for the conservative side of these issues. That it could not be done. He was an experienced educator.

The CHAIRMAN. You may proceed.

Mr. SARGENT. Thank you.

Here, then, briefly, is a chronology of the subversive movement as, first of all, general background material. I will commence by talking about the Fabian Socialist movement in Great Britain. I have notes here. The data on this first sheet is taken from a source book which I think is a recognized and able authority. It is the book entitled

"Fabianism in the Life of Great Britain"; the author is Sister Margaret Patricia McCarran, the daughter of Senator McCarran. It is a doctoral thesis resulting in the granting of her degree of doctor of philosophy. It is a very extensive book based on original source material.

Mr. HAYS. You say she is a sister?

Mr. SARGENT. She is a member of a Catholic order.

Mr. HAYS. I didn't know they used her last name.

Mr. SARGENT. That is her full name. Her full name appears on the book and that is who she is. I have read the book myself.

I am taking significant dates here to orient the British movement with the American side of the picture. The inception of the movement was the year 1883; an original Fabian group formed, composed of Thomas Davidson, Edward R. Pease, and Hubert Bland. They met in London and adopted an agreement to reconstitute society and they adopted the name "Fabian."

The Fabian system briefly consisted of four elements. Research, to further their specific ideas; education of a propaganda type to carry it out; penetration of governmental agencies generally, legislative and executive both; and, finally, penetration carried to the point of permeation resulting in complete control of the governmental system.

The following year, 1884, George Bernard Shaw joined the movement and became, and was active, for many, many years subsequently. In 1885 Sydney Webb, Sydney Olivier, and Anna Besant became members. They established a publication known as the Fabian News in 1891.

In 1892 they began active lecturing and campaigning. They elected a member of Parliament that year. They moved into the university field in 1895 and established a unit at Oxford. They founded the London School of Economics——

Mr. HAYS. Mr. Sargent, that is all a matter of history. We know about those characters. They have been pretty well discredited down through the years. Nobody is paying much attention to them. Do you think it is fair to waste our time?

Mr. SARGENT. I think it is fair. They have not been discredited and they have not stopped. There is substantial evidence that the successors of that group are very intimately connected with American affairs right now.

Mr. HAYS. I have heard that charge bandied about for a good many years, but it only results in somebody saying so. Nobody has ever pinned it down. It finally boils down to, "well, he disagrees with me, so therefore he is no good."

Mr. SARGENT. Won't you wait until I get through before you conclude that? Maybe you will change your mind.

Mr. HAYS. I will tell you, the way you are going, some of the stuff you are bringing in, I don't know whether you are ever going to get through.

Mr. SARGENT. If you will help me I will get there as fast as I can.

By 1900 the movement had entered four of the universities in Great Britain. I have referred to the Federal income tax movement here. That began in 1892 with a demand for Federal income tax legislation made at a time when the fiscal needs of the Federal Government required no such taxation. Some political objective must have been

behind the move at the time because the revenue need was not there. In 1893 the Income Tax Act was passed and then repassed over a Presidential veto. In 1894, the United States Supreme Court held the statute unconstitutional of the basis of the Constitution as it then stood.

The agitation continued. In 1909 Congress proposed the income tax amendment to the States and in 1913 it was adopted as the 16th amendment to the Federal Constitution. Unlimited tax power was conferred. The effect was as I mentioned.

Mr. HAYS. You say that was proposed in 1909?

Mr. SARGENT. The amendment was proposed in 1909.

Mr. HAYS. That took a vote of the Congress?

Mr. SARGENT. That is right, it was voted.

Mr. HAYS. Do you have any breakdown of how many on each political party party voted on that?

Mr. SARGENT. I don't know. I presume it was substantial.

Mr. HAYS. In other words, both parties had already been indoctrinated with this socialism as early as 1909?

Mr. SARGENT. I didn't say that.

Mr. HAYS. You say right here in your statement you handed out to the press that this was a plot to establish the Federal income tax in order to pave the way for national Federal socialism.

Mr. SARGENT. I say the radical group had that in mind. The people had a more immediate situation at hand. There were great abuses in that period that we are all familiar with and reform of some type was undoubtedly due and needed.

The conclusion I adopt is that a normal American movement for reform was perverted by the introduction of various things which were accepted and which became dangerous in practice and made our present situation what it is. There was a political purpose behind this amendment obviously. The money was not needed. The idea was to give the Federal Government the power to take money. The power to take money was given. The power to take money became a very important part in what followed.

That is all fact. That is well known.

Mr. HAYS. Some of it is fact.

Mr. SARGENT. It is a fact the Government didn't need the money. Look at the budget. It is a fact that that unlimited power was conferred. It is a fact that subsequently there has been a very extensive use of that power. It is also a fact that without this power socializing of the United States would have been well nigh impossible.

Mr. HAYS. Was the Government in debt in 1909?

Mr. SARGENT. I don't think it had very much. The Civil War was pretty much off the books and the budget was very low. The Spanish-American War was more or less a picnic. It only lasted a short time and the cost was not great.

Mr. HAYS. We ought to mimeograph that and send it out to the Spanish-American veterans.

Mr. SARGENT. In the financial sense it was not costly. It lasted a short time. Financially I am speaking of. It was not an expensive war, and we had a period of very great prosperity and plenty of resources.

From the educational standpoint, the story begins about 1896 with the establishment of the Dewey Laboratory School at the University

of Chicago. That school continued until 1903. The Dewey in question here is the professor of philosophy, John Dewey, who expounded a principle which has become destructive of traditions and has created the difficulties and the confusion, much of it, that we find today. Professor Dewey denied that there was any such thing as absolute truth, that everything was relative, everything was doubtful, permanently doubtful, that there were no basic values and nothing which was specifically true.

The concept was revolutionary in practice. I don't know what the good professor thought of his reasons, but the effect of it was to undermine existing props and to make possible the specific thing I refer to here, because as soon as you say there are no basic principles at all, that everything is debatable and uncertain, changeable from day to day, you automatically wipe the slate clean, you throw historical experience and background to the wind and you begin all over again, which is just exactly what the Marxians want someone to do.

Therefore, John Dewey was a gift from the gods to the radicals. He was just tailormade for this sort of situation. I haven't the faintest idea of what Dewey himself thought he was doing. I am merely saying it happens and had this effect.

Mr. HAYS. You would not think there is anything unusual in a professor of philosophy coming up with some crackpot theory like that.

Mr. SARGENT. I would think it is somewhat significant and unusual when a long parade of other people back up the man and make it the guiding philosophy of an educational system.

Mr. HAYS. You would not say that there ought not to be any new ideas or research in any educational system?

Mr. SARGENT. No; I didn't say that.

Mr. HAYS. You say that any time we break with tradition we are automatically getting into something bad.

Mr. SARGENT. I am saying it is generally agreed by philosophers that this philosophy of John Dewey was extremely destructive in practice and made it possible to accomplish the things that were later done. It brought about the policy of attacking the American tradition. They attacked patriotism.

Mr. HAYS. Let me try to tie that down with an example here. You say attack American tradition. There was a tradition around the time of Civil War that it was perfectly all right for you to buy your way out of the Army. I think the fee was $300.

Mr. SARGENT. That is an American tradition?

Mr. HAYS. It was then. It was very reputable and nobody questioned it and everybody did it.

Mr. SARGENT. That is not what I mean by the word "tradition."

Mr. HAYS. It is hard to keep words in context and define them.

Mr. SARGENT. Tradition as in the Declaration of Independence. That is a statute passed by the Congress and is a basic document. The principle of the Declaration of Independence was directly undermined and attacked by the philosophy of John Dewey.

Mr. HAYS. Another document that you keep citing, and a very valuable document, is the Constitution. Did the Constitution have any reference to slavery at all in the beginning?

Mr. SARGENT. Of course it did. You know that. Until 1808.

Mr. HAYS. That was part of the tradition?

Mr. SARGENT. No. I don't use tradition in that sense. Every section of the Constitution is not a tradition by any manner of means. I mean the essentials.

Mr. HAYS. What are you going to do, pick the traditions and the rest is not according to your definition?

Mr. SARGENT. No, I am going to talk about the essential rights of human beings. Most people agree on what that stuff is.

One of the most fundamental concepts of all is the doctrine of inalienable rights, the fact that your rights belong to you and my rights belong to me and are not given to me by any majority in society; that we acquire those rights at birth and we get them by natural law or the laws of God.

Mr. HAYS. I will go along with you. That is the first time today that you and I have been able to specifically get something down in a definition that both of us could agree on.

Mr. SARGENT. All right. Dewey throws that out. He said not even that one. That is overboard, too.

The philosophy of John Dewey is a natural for radicalism because it makes everything uncertain and the subject of confusion. They deny there are such things as natural rights. They say that rights are whatever the majority say, here today and gone tomorrow. Sort of an off-again, on-again Flannigan affair.

Mr. HAYS. You believe in laissez-faire?

Mr. SARGENT. What do you mean by that term?

Mr. HAYS. It is generally used in the same term. You know the definition of it. Let-alone theory, that the Government should not interfere.

Mr. SARGENT. No; I don't think there should be a complete want of governmental restraint. Anarchy would be the result of it.

Mr. HAYS. There has been testimony before these hearings that there has been a plot to do away with the laissez-faire theory.

Mr. SARGENT. That word has been booted around to a great extent. Like "democracy," it has been picked up by all the Communist fronts and they throw it all over the place until the word is almost useless for any practical purposes.

Mr. HAYS. In other words, laissez-faire, democracy, or any other word has certain limitations?

Mr. SARGENT. Some of those words have. Natural law means a very specific thing. I say that John Dewey's philosophy struck a mortal blow at natural law and that is the cement which holds this country of ours together from the standpoint of religion, philosophy, and governmental policy.

Mr. HAYS. You and I both apparently agree that John Dewey's philosophy is not the kind of philosophy with which we would associate ourselves.

Mr. SARGENT. That is right. Definitely. I think it is a very destructive thing and very unfortunate.

Mr. HAYS. But you would not say that John Dewey did not have a right to believe that and to advocate it?

Mr. SARGENT. No. All these people had a right to advocate these things. But the foundations didn't have a right to step in and actively promote one theory and throw the rest overboard.

Mr. HAYS. Up to now you say the foundations did that and threw the other one overboard?

Mr. SARGENT. I will get to that. That comes into the picture. I am giving you the historical background first. I will be talking about foundations very shortly.

The CHAIRMAN. You may proceed.

Mr. SARGENT. On the basis of these principles John Dewey established this laboratory school at the University of Chicago in 1896 and conducted experimental education. He continued until 1903.

Teachers College, which has become subsequently identified with much of the conditions to which we will refer, became affiliated with Columbia in 1898.

In 1902, John D. Rockefeller established his first foundation known as General Education Board. From the standpoint of contemporary affairs, that was just 1 year before the first Russian revolution, attempted under Lenin, when they adopted the principles of Karl Marx. There was violence, and in Russia at that particular time there were threats which broke out in 1905 after Russia lost the war with Japan.

The writers of this period were discussing many conditions which were obviously bad and should be condemned. In 1904, for example, Robert Hunter wrote his book entitled "Poverty," Steffens wrote about The Shame of the Cities, Tarbell wrote the book The History of the Standard Oil Company at about the same time. In 1905, Charles Evans Hughes made his investigation of life insurance scandals in New York.

The point is that the country at the time was in a very active condition of flux due to these many influences which I think we are familiar with.

Jack London writes in 1905 in War of the Classes explaining how he became a Socialist. In the same vear John Dewey became professor of philosophy at Columbia University and brought his concept into that university.

Now we come to the Intercollegiate Socialist Society. My authority here is a publication of that organization itself, which relates the facts regarding its formation. This is published by the League for Industrial Democracy, which is the successor of the old Intercollegiate Socialist Society. The pamphlet is entitled "Thirty-five Years of Educational Pioneering, L. I. D. Celebrates Past Achievements and Asks Where Do We Go From Here?"

Mr. HAYS. When was that published?

Mr. SARGENT. It relates to the original history of the movement; copyright notice is 1941. It was a meeting they held to discuss their own history and background and recites what happened.

The meeting which is reported on by this pamphlet, as the pamphlet states, was held on Thursday evening, November 28, 1941, at their 35th anniversary dinner at the Hotel Edison in New York City. There were three or four hundred members and guests present.

One of the main speakers was John Dewey, president of the League for Industrial Democracy, who is referred to here as one of the foremost educators and philosophers. Harry W. Laidler, the executive director of the league was among those present. Harry W. Laidler's speech gives an exact copy of the original call issued for the formation of this prior group in 1905 and reads as follows. The heading is Call

for an Intercollegiate Socialist Society and the main body reads as follows:

In the opinion of the undersigned, the recent remarkable increase in the Socialist vote in America should serve as an indication to the educated men and women in the country that socialism is a thing concerning which it is no longer wise to be indifferent.

Mr. HAYS. When was this written?

Mr. SARGENT. This was the original notice of 1905 being reported. At the subsequent anniversary dinner they put in their copy of the original notice of formation which I am reading.

The undersigned, regarding its aims and fundamental principles with sympathy, and believing in them will ultimately be found the remedy for many far-reaching economic evils, proposed organizing an association to be known as the Intercollegiate Socialist Society for College Men and Women, Graduate and Undergraduate, through the formation of study clubs in the colleges and universities, and the encouraging of all legitimate endeavors to awaken an interest in socialism among the educated men and women of the country.

Signers of the call for the meeting are: Oscar Lovell Triggs, Thomas Wentworth Higginson, Charlotte Perkins Gilman, Clarence Darrow, William English Walling, G. Phelps Stokes, B. O. Flower, Leonard D. Abbott, Jack London, Upton Sinclair.

The article goes on to state that the meeting was organized as a result of this call and held on the top floor of Peck's Restaurant, 140 Fulton Street, New York City, on the afternoon, September 12, 1905.

Further on in the article it relates that in the year 1906 in pursuance of this plan, Jack London took a spectacular trip among colleges. That was in early 1906. It says that in scores of colleges the speakers of this organization presented to students the challenge of a new social order. It refers to present day leaders of thought in the movement, including Paul Douglas, Isadore Lubin, and a number of others here.

Mr. HAYS. Let us have them all.

Mr. SARGENT. All right. Bruce Bliven, Freda Kirchwey, Paul Douglas, Kenneth Macgowan, Isador Lubin, Evans Clark, Devere Allen, John Temple Graves, Jr., Mary Fox, Carl Llewllyn, Broadus Mitchell, Abraham Epstein, Otto S. Beyer, Theresa Wolfson, and a host of others at Stanford, Barnard, Columbia, Harvard, Clark, Amherst, Oberlin, Princeton, Vassar, Yale, Johns Hopkins, Pittsburgh, Illinois, Wisconsin, and other colleges. I read that without paraphrasing.

Mr. HAYS. What were they doing?

Mr. SARGENT. It says here that many of these people were among the active members of Intercollegiate Socialist Society college chapters during those days. In other words, these names relate to the early activities of the group.

Mr. HAYS. That was 1906?

Mr. SARGENT. You can't say exactly, Mr. Hays, because they are referring to the early days. He does not peg this particular thing as a date. It was during the early period as this pamphlet would indicate, in any event.

Mr. HAYS. It seems to me you might have missed the most signficant thing in that whole thing. You have not emphasized it. You said when you started out somewhere along in there that the significant size of the Socialist vote must convince of one thing or another. That

was back around 1905. I don't know what the Socialist vote was in 1905, but I will wager in proportion to the population it was lower than now.

Mr. SARGENT. I have no idea. That statement appeared in the call of the notice.

Mr. HAYS. Don't you think you are right?

Mr. SARGENT. I would not want to hazard a guess.

Mr. HAYS. In other words, you are getting pretty excited about something here that has proved over the years 1905 to 1954 that it didn't have enough drive of its own to survive.

The CHAIRMAN. May I interject? You are making reference of that in connection with the 1941 meeting of the LID as I understand. Is that correct?

Mr. SARGENT. Yes. The Intercollegiate Socialist Society, the predecessor for the Industrial League for Democracy.

Mr. HAYS. What I am referring to is the original call for the meeting.

Mr. SARGENT. That is right.

The CHAIRMAN. May I ask, is the League for Industrial Democracy a tax exempt institution?

Mr. SARGENT. It is my understanding that it is. This was clearly a propaganda organization, Mr. Hays. It was formed, as its notice shows in the first place, to actively promote a political movement, namely, socialism.

Mr. HAYS. I am not arguing with you, sir, that it was not a propaganda organization or anything of the kind. It probably was.

The thing that I am trying to find out is how much significance did it have and whether it ever had any effect or not.

Mr. SARGENT. I think it had a great deal of significance. Not in the Socialist Party vote, but in making its policies effective in other ways as the Fabians in Great Britain did. They infiltrated other parties and worked their will in this fashion.

They didn't go out and run for election. They used the attack system by masquerading under other groups. That is exactly what we find in this educational picture.

This pamphlet I have before me shows that Robert Morss Lovett became the first president of the Intercollegiate Socialist Society and you will find from its proceedings that he was identified with it for many years. Mr. Lovett has one of the most outstanding records of Communist-front affiliation of anyone I have ever seen. He belonged to a total of 56 Communist-front organization, this man, the president of this particular group here.

I have the list before me. He belonged at some date or dates between this time and the year 1949, to one or more of these various organizations, not necessarily, of course, simultaneously.

Mr. HAYS. He is a bad actor, I take it, this fellow Lovett. Are you going to read all 56 of those?

Mr. SARGENT. He is an egghead. He is an educated fool who joins anything and is a knockout for propaganda and used this organization obviously for the purpose to which I refer. I think the record can properly state something about the character of the people that got in here because we are studying propaganda.

Mr. HAYS. If you are going to use the word "egghead," and I have no objection to it—it has become a generally accepted term—maybe

we ought to have a definition of it. You use it in a connotation that is ridiculous or something of that kind?

Mr. SARGENT. You want a definition of egghead; all right, I have it. It is in an article in a recent magazine. I think I would go for this. It is the American Mercury issue of June 1954.

Mr. HAYS. I think you probably would go for anything that the Mercury writes.

Mr. SARGENT. The article is by Howard Lord Varney, who has a lot of experience, and is called The Egghead Clutch on the Foundations. You might want to bring that man down here. He seems to have a great deal on the ball.

Mr. HAYS. I will tell you if we bring any more down here like some we have now I am in favor of the committee hiring a staff psychiatrist.

Mr. SARGENT. I think somebody ought to put a psychiatrist on Robert Morss Lovett.

Mr. HAYS. I don't care whether he belonged to all of them. The only thing I was interested in was if he belonged to 56, why don't you put them in the record?

Mr. SARGENT. I am glad to do that provided it is understood that it will be part of my testimony.

Mr. HAYS. Yes. We are trying to save time. If you read 56 Communist front organizations——

The CHAIRMAN. They may go in as part of the record.

Mr. SARGENT. I thought as part of the rule I had to read it or the equivalent to get them in.

Mr. HAYS. By agreement we will put them in.

Mr. SARGENT. I have a list in my binder, and give it to the reporter to insert.

(The material referred to is as follows:)

References to Robert Morss Lovett, compiled from material furnished by congressional committees, publications, public records, and other sources

Organization	*Appendix IX page No.*
National committee, All America Anti-Imperialist League	311
Signatory, American Committee for Democracy and Intellectual Freedom	337
American Committee of Liberals for the Freedom of Mooney and Billings	339
Sponsor of American Committee for Protection of the Foreign Born	349, 354
Member, American Council on Soviet Relations	365
National advisory Board, American Friends of the Chinese People	371, 378
Sponsor of American Friends of Spanish Democracy	380–383
Director, American Fund for Public Service	384
National vice chairman, American League for Peace and Democracy	390–394, 397, 401, 404, 409
Vice chairman, American League Against War and Facism	416, 424, 428
Signatory, Golden Book of American Friendship with the Soviet Union	467, 771
Advisory board, Russian Reconstruction Farms, Inc	472
Russian War Relief, Inc	476
Sponsor and advisory board, American Student Union	520, 523
National advisory board, American Youth Congress	535, 537
Advisory council, Book Union	589
Citizens Committee for Harry Bridges	599
Chicago All-American Anti-Imperialist League	606
Signatory, Committee For a Boycott Against Japanese Aggression	635
Sponsor of Committee to Defend America by Keeping Out of War	638
Committee to Save Spain and China	643
Sponsor of Conference on Constitutional Liberties	653
Advisory board, Film Audiences For Democracy	730
Friday	745
Endorser, Friends of the Soviet Union	758

References to Robert Morss Lovett, compiled from material furnished by congressional committees, publications, public records, and other sources—Con.

Organization	*Appendix IX page No.*
Official, Garland Fund	764
National committee, International Labor Defense	830
Speaker, International Workers Order	892
League of American Writers	968, 973
Advisory committee, League for Mutual Aid	982
Endorser, American Committee for International Student Congress Against War and Fascism	1083
Chairman, August Peace Parade and Jane Addams Memorial	1103
National Mooney Council of Action	1142
Sponsor of Mother Ella Reeve Bloor Banquet	1164
USA supporter, National Committee to Aid the Victims of German Fascism	1170
National Committee for the Defense of Political Prisoners	1177
National Committee for People's Rights	1179
Signatory, National Emergency Conference	1205, 1207
National Emergency Conference for Democratic Rights	1209, 1214
Sponsor of National Federation For Constitutional Liberties	1229, 1233
National People's Committee Against Hearst	1300
Sponsor of National Right-to-Work Congress	1308
Signatory, National Writers Congress	1340
Signatory, New Masses Letter to the President	1356
Committee member, Non-Partisan Committee for the Reelection of Congressman Vito Marcantonio	1375
Signer, Open Letter to American Liberals	1379
Signer, Open Letter For Closer Cooperation with the Soviet Union	1384
Signer, Open Letter Protesting the Ban on Communists in the American Civil Liberties Union	1386, 1388
Advisory editor, Champion of Youth	1447
Contributing editor, Science and Society	1456
Arrangements committee, People's Front For Peace	1462
Contributor, Soviet Russia Today	1603
Chairman, Chicago Committee For the Struggle Against War	1618
National committee, Student Congress Against War	1620
Signatory, Veterans of the Abraham Lincoln Brigade	1651
Sponsor of the American Pushkin Committee	1772
Speaker, Greater Boston Peace Strike Committee	1780

Robert Morse Lovett is given as a sponsor of various activities of the American Peace Crusade, which was described (statement on the March of Treason, February 19, 1951, H. Rept. No. 378, on the Communist "Peace" Offensive, released April 1, 1951) as an organization which "the Communists established" as "a new instrument for their 'peace' offensive in the United States"; heralded by the Daily Worker "the usual bold headlines reserved for projects in line with the Communist objectives."

The Daily People's World of March 3, 1952, gave him as one of the sponsors of the delegation of the National Delegates Assembly for Peace (identified by the Daily People's World as a meeting of the American Crusade) who marched on Washington, D. C., April 1, 1952.

According to the Daily Worker of August 20, 1947, Mr. Lovett was cochairman of the Call for the Conference of the Committee for Protection of the Foreign Born. He signed the organization's letter in behalf of Communist deportation cases (Daily Worker, March 4, 1948); its statement in behalf of Gerhart Eisler (Daily Worker, December 21, 1948); and its statement against denaturalization (Daily Worker, August 10, 1950).

The American Committee for Protection of the Foreign Born was cited as subversive and Communist by the Attorney General, June 1 and September 21, 1948, and the special committee cited it as "one of the oldest auxiliaries of the Communist Party in the United States (reports March 29, 1944, and June 25, 1942).

Professor Lovett was one of the sponsors of the Cultural and Scientific Conference for World Peace (National Council of the Arts, Sciences, and Professions).

The Scientific and Cultural Conference for World Peace was cited as a Communist front which "was actually a supermobilization of the inveterate wheelhorses and supports of the Communist Party and its auxiliary organizations." The National Council of the Arts, Sciences, and Professions was cited as a Communist-front organization; and the World Peace Congress was cited as a Communist front among the "peace" conferences.

He signed a statement in behalf of the so-called Hollywood Ten (who were shown to have affiliation with Communist organizations and to have had Communist Party registration cards) who refused to affirm or deny membership in the Communist Party.

The Daily Worker (December 31, 1951, August 11, 1952, December 10, 1952) named him as a speaker at a rally in New York City to "smash the Smith Act"; as signer of a telegram prepared and dispatched by the National Committee To Win Amnesty for Smith Act Victims; and as signatory to an appeal to the President requesting amnesty for leaders of the Communist Party who were convicted under the Smith Act.

According to the Daily Worker of March 2, 1953, after addressing the ninth annual dinner at the Jefferson School of Social Science, Professor Lovett asked all present to "stand in tribute to two famous Marxist leaders of the United States working class—Elizabeth Gurly Flynn and the late Mother Bloor."

The Jefferson School was cited by the Attorney General as "an adjunct of the Communist Party (press release of December 4, 1947); special committee report No. 1311 of March 29, 1944, states "at the beginning of the present year (1944) the old Communist Party Workers School and the School for Democracy were merged into the Jefferson School of Social Science."

Elizabeth Gurley Flynn was convicted under the Smith Act on charges of conspiring to overthrow the United States Government by force and violence (Daily Worker, January 22, 1953).

Mr. SARGENT. Is this your hour of recess?

The CHAIRMAN. No; you may proceed.

Mr. SARGENT. Following this movement here, Socialist groups sprang up at Columbia, Wesleyan, Harvard, and many other colleges. There was a Princeton chapter set up in the year 1907. We find that the changes that began to prevail in the educational policies of some of our leading groups became quite prominent around the year 1930.

Mr. HAYS. When you read the list of colleges you got down to one in Ohio. What do you mean to imply by reading those names, anything more than that they had a chapter of Socialists on the campus?

Mr. SARGENT. I am just citing the fact that it organized an active chapter on the campus. It is an illustration of the spread of the movement very promptly among what are presumably leading universities. I imply nothing beyond that statement.

Mr. HAYS. That college happens to be considered in my State as being one of the best colleges and not only in Ohio, but in the United States. It is very expensive. The only reason more people don't go to it is because probably they can't afford it. But I never heard anything subversive and abnormal about it. I just want to be sure that the record does not imply that.

The CHAIRMAN. From what was said, I drew no adverse interest.

Mr. SARGENT. I make no statement one way or another. It is not my intention to do so. I was discussing the rather early spread of the movement.

In 1913—this is interesting because it indicates the way this destructive Dewey philosophy began to take hold—in 1913 the National Education Association issued a document known as bulletin 41, which contained recommendations of the National Education Association regarding the teaching of history. I think this is pertinent because one of the things involved here has been distortion of history and its use for propaganda purposes.

Mr. HAYS. What year was this?

Mr. SARGENT. 1913. This statement of point of view in that bulletin as printed in our United States Bureau of Education says:

> High school teachers of social studies have the best opportunity ever offered to any social group to improve the citizenship of the land. This sweeping claim is based upon the fact that the 1½ million high school pupils is probably the largest group of persons in the world who can be directed to a serious and systematic effort, both through study and practice to acquire the social spirit.
>
> It is not so important that the pupil know how the President is elected or that he shall understand the duties of the health officer in his community. The time formerly spent in the effort to understand the process of passing a law under the President's veto is now to be more preferably used in the observation of vocational resources of the community.
>
> The committee recommends that social studies in the high schol shall include community health, housing, homes, human rights versus property rights, impulsive action of mobs, the selfish conservatism of traditions and public utilities.

Here you have the inception of the move which became definite later, to use the schools for a political objective to modify the social order, and therefore to become instruments of propaganda.

It began as early as 1913.

Mr. HAYS. Let us discuss that a little bit. What is wrong with that paragraph you read?

Mr. SARGENT. It is promoting a particular thing which would obviously result in legislative action.

Mr. HAYS. Name it. You see, you have the advantage there. You have in front of you everything that you read. I don't. I thought I heard some things in there that I didn't think too much wrong if they taught a little bit about in schools. For instance, the subject of housing might well be something that could be profitably discussed.

Mr. SARGENT. Isn't it propaganda to shift the emphasis from the Constitution of the United States to a housing project as a substitute?

Mr. HAYS. We are not talking about housing projects. We are talking generally about housing.

For instance, whether or not bad housing and slum housing has a deleterious effect on community life. Do you think that should not be mentioned in school at all?

Mr. SARGENT. At the proper grade level I see no objection if the discussion is balanced. I am talking about the shift from the Constitution to the social things in substitution.

Mr. HAYS. Did you ever teach school, Mr. Sargent?

Mr. SARGENT. No, sir, but I have good friends who did and do.

Mr. HAYS. Do you think it would be possible to get an intelligent group of high school people together and teach the Constitution without getting into something besides the context of the subject matter in front of them? You are talking about a balanced presentation. I have had a good deal of experience with high school students and it is pretty difficult not to get both sides of the thing presented in the average high school class.

Mr. SARGENT. It is very hard to get both sides presented as things operate now. I am a parent and I have children in the public schools and I have had very serious discussions with many people on this.

Mr. HAYS. I disagree with that.

Mr. SARGENT. You were a teacher yourself at one time.

Mr. HAYS. I have a call that we are wanted on the floor, the minority, so could we adjourn now?

The CHAIRMAN. We will recess now and resume at 2:30.

(Whereupon, at 12:10 p. m., the hearing was recessed to reconvene at 2:30 p. m. the same day.)

AFTERNOON SESSION

(The committee reconvened at 2:30 p. m., upon the expiration of the recess.)

TESTIMONY OF AARON M. SARGENT—Resumed

The CHAIRMAN. You may proceed.

Mr. SARGENT. At the time of adjournment, we were at the year 1913. That is the approximate date of the organization of the Rockefeller Foundation which is the second of the great foundations created by John D. Rockefeller, Sr.

The first one, as you will recall, was General Education Board, the organization date of which was 1902.

Mr. HAYS. Mr. Chairman, I have a point of order. I hesitate to use that word, but I feel I have to.

I would like to read from the rules of procedure adopted on page 7 of the first day's hearings:

> (b) Executive hearings: That is the majority of the committee believes that the interrogation of the witness in a public hearing might unjustly injure his reputation or the reputation of other individuals, the committee shall interrogate such witness in closed or executive session.

Now, I do not know what the other two members of the committee think, but the minority is of the unanimous opinion that this witness is going to injure the reputation of other individuals and we feel that he should be interrogated first in executive session before all of this is spread upon the record and has in the eyes of the public a certain validity which it might not be entitled to.

In support of this point of order, Mr. Chairman, I should like to cite to you the principle about which I argued this morning, namely, that by preparing a sort of blanket indictment and releasing it to the press, that that got on the ticker and in the papers to the exclusion of anything else about the hearings this morning.

I feel as ranking minority, and if Mrs. Pfost disagrees with me, she can indicate it, that a witness who is making as many general and specific accusations as this witness seems to indicate he is going to make, should be heard in executive session so that the members of the committee will have some knowledge of what is coming out and some chance to intelligently prepare a set of questions to ask him.

Now, I will give you one example. I do not want to unduly drag this out.

But going back to the socialistic plot about the income tax, I had not realized until I did a little checking during the lunch hour that the income tax was first introduced by the Honorable Cordell Hull, of the State of Tennessee.

I do not think that you would want the inference here to remain that he was a socialistic individual and involved in any plot to foist socialism on the United States.

I do not think you would unless we went into it a little more fully.

Mr. SARGENT. Nobody has mentioned Mr. Hull, Mr. Hays.

Mr. HAYS. I have mentioned Mr. Hull. I point out to you that this is in direct relation to your statement that this is part of the plot.

Mr. SARGENT. I charged Mr. Hull with nothing. I said underlying this thing is a radical intellectual elite having a purpose of their own

and no other people in any way connected with it came along and made its enactment possible.

Mr. HAYS. In other words, he was a tool.

Mr. SARGENT. He was led by the influence of the time, as many people were, to do a thing which turned out to be a rather effective device for the radical clique.

Mr. HAYS. Now, just a minute, until we dispose of this motion and then you can make all the statements you want to make.

Mr. SARGENT. I would like to speak on this Executive order, because this suggestion is unfair to me and the manner in which this thing is being protested.

Mr. HAYS. You are not a member of this committee and if a member of this committee makes a point of order you in nowise enter into it one way or the other.

Mr. SARGENT. I am an American citizen, and I have a right to express my views, if I wish to do so.

Mr. HAYS. You are an American citizen, but if you would act a little bit more on the principle of fair play and Americanism, we would get along a little better.

The CHAIRMAN. So far as the Chair has been able to observe, the witness has not up to now said anything derogatory about anyone, or indicated that he had in mind doing so.

If that should be the case, then I think the suggestion that you have made would be well taken.

My interest as chairman of the committee is to permit the witnesses who know that the foundations have not been conducted as they should have been in all instances, to present their views. If they have something, the committee staff, and the committee itself, feels justified in taking the time of the committee.

Then I am equally interested in the foundations, or those who wish to speak in behalf of the foundations, having the same opportunity.

As I said originally, my only purpose, so far as I am concerned, is to get an objective study made of this subject.

Mr. HAYS. If this is an objective study, to drop the name of Senator Douglas in as a Socialist, and then let Senator Douglas come in and deny later on that he is one, then I do not understand the meaning of the word "objectivity."

But this has happened and it happened this morning, I do not like it and I notice all the significant dates that this gentleman has presented have always been dates when the Democrats seem to have been in power.

It might have started back under the Republicans, but we did not get to it until 1913, then something else, and we get to that in 1933, something like that.

I am not going to sit here and let it happen. There is more than one way to get this. I do not want to be put in a position of walking out of this committee, but I can.

The CHAIRMAN. He named a group that had met as a committee. So far as I am personally concerned, not having been as observant as other people, I did not identify Senator Douglas as being on the list.

Anyway, the list itself was not read in a relationship that cast any reflection upon the members of the committee. At least I did not so understand.

I do not see any reason why Mr. Sargent should not be permitted to go ahead and make his statement. Then if there are any questions that need to be raised at the time, or if he brings in anybody in a derogatory way, then I think that is something that the committee should consider at the time because we do not expect that kind of thing in the committee.

Mr. HAYS. I am willing to be just as cooperative and tolerant as the chairman can possibly be, but I think the committee certainly has carefully tried to live within the rules that were adopted.

Mr. SARGENT. Mr. Reece, all I am proposing to do here is to read material from books, pamphlets, and documents and to make normal comment on the material I read.

It is just a question of written material. My basic evidence is entirely written.

The CHAIRMAN. You have reached that point?

Mr. SARGENT. Yes, sir; I am going to do that exclusively.

Furthermore, the suggestion that this has a political twist is not correct. This is nonpartisan. I am reading a considerable amount of material during the 1920's. In fact, I am covering in regular fashion the significant events which occurred, when they took place based on their apparent relevance to the matter before you here.

I will stick to that in entire good faith.

Mr. HAYS. Mr. Chairman, perhaps it will be impossible for me to match your patience, but I am going to try.

Again I am going to try to explain to you what I think is the basic difference in opinion. That is this: that I have felt it was deliberate. If I am wrong, I am very sorry, but up to now I have seen no reason to change my opinion.

We have people coming in here with these prepared statements, typewritten out, this scattergun technique, in which certain names are dropped in, certain statements are made.

The members of the committee have no advance opportunity to inform themselves, to find anything out about it, to find out even the basic research to see whether it is true, and then the inference is left.

I do not think it is any inference in the case of the income tax, and I keep referring to that, but it is such a glaring example that this is part of an un-American subversive socialistic collectiveness, to use a lot of terms that have been flung around with great abandon, plot; and the newspapers or anyone listening can get that impression.

In addition, it is spread on the record of a committee of Congress, and the inference is that it is true and then later when the people who may have been maligned or who may have been testified about in a way that put them in a bad light, come in and deny it, then it is not news anymore.

I think we ought to have some insight in what these people are going to say before we let them come in here with a shotgun and shoot off in all directions.

Mrs. PFOST. May I ask a question?

The CHAIRMAN. Yes.

Mrs. PFOST. Is the staff of the committee so busy that they cannot type up for us the excerpts of the material that he is going to give us this afternoon, or the forthcoming witnesses?

Now, the majority of the witnesses who appear before the committee I am on, the Interior and Insular Affairs Committee, supply each

member of the committee with a mimeographed copy. And in the instances when I have testified before another committee, I have always furnished them with typewritten copies, or, if the committee is large, mimeographed copies.

The CHAIRMAN. So far as typing statements, that could be done, and copies made available, if the statement itself is available. But in some instances, as I understood to be the case with Mr. Sargent, so much of his material is going to be what you might call documentary, that the statement itself that might be typed up was very sketchy and in order to make a complete statement, the documentation had to accompany the statement.

So that outside of his introductory references which were typed, the rest of it was simply what might be called notations to guide him in the presentation of his documentary evidence, which he has now reached and is ready to give.

Mrs. PFOST. I observed, however, after he had started in with his particular binder from which he is working now, that he was reading whole paragraphs out of it.

Mr. SARGENT. In some cases I have read paragraphs merely for the reason it would place a great burden on the Library of Congress to physically haul each one of those books over here. I have simply given in some cases reference to the fact that such a book was written at that particular time to build what you might call climate.

I think this is a matter of great importance to the American people and I do not like the inference. There have been some very derogatory remarks made about me, and to suggest an executive hearing is a very unfair thing to me.

Also I should think they should be put in the open.

As long as I stick to books I think I am entitled to stick to these facts.

I am willing to submit myself to cross-examination. I think this is a public matter to be transacted publicly. I will adhere to your rule in good faith.

I am not throwing slugs at individuals. I am reading books, pamphlets, documents, and I am commenting on books, documents, and pamphlets; that is all.

Mrs. PFOST. Of course, this morning you did refer to people by name.

Mr. SARGENT. I read them out of a pamphlet.

Suppose I write some of these things out, suppose I had the time to do all that and I presented that to someone here, does that mean that there is to be a suppression of certain parts of the evidence which I have here which appeared to be pertinent to this inquiry?

Mrs. PFOST. No; but certainly we would have an opportunity to go over the material and see what type of thing you were going to testify on if we had it in advance and it would give us an opportunity, too, to determine whether or not it would require an executive session, instead of just a scattering of shot, as Mr. Hays has said.

Mr. SARGENT. I will not go into executive session except under protest and under process. I am not prepared to testify in any executive session in this matter, unless compelled to by the processes of this committee.

I think it is improper and unfair to me, and I want to protest against any such suggestion.

Mr. HAYS. In what way would it be unfair to you? It is done in every other committee in the House where accusations are made against individuals.

Mr. SARGENT. I interpret the remarks you have made as intending to cast reflection on me, and if such a hearing were held and the record not put out later, it would be used against me as having brought improper matters before this committee.

Mr. HAYS. I am not trying to be unfair to you because I do not want to be doing what you are doing to other people. All I suggest is that if you are so afraid of an executive session, and I believe you have spent 5 hectic days getting this material ready, let the staff spend another hectic day or two getting it typed up so that we can at least look at it before you come in here and start reading it.

Do you think that is an unfair request?

Mr. SARGENT. I think it is proper to let me proceed with this case as it is.

Mr. HAYS. What you think is not going to have very much influence on the vote of the committee, I suppose.

Mr. SARGENT. I am unable to do that effectively. Furthermore, I would prefer to give testimony on this matter just as a witness does in court. A witness does not have a cold statement with him in court. He testifies in a normal fashion. He subjects himself to being questioned as he goes.

I am prepared to do that.

Mr. HAYS. As you have probably observed already, these congressional committees do not run very much like a court of law. You can comes in, by somebody. In many cases it is a lengthy, long-drawn-out not get away with saying in a court of law. I will submit to you that in most courts of law there is some preexamination before a witness comes in, by somebody. In many cases it is a lengthy, long-drawn-out process by deposition and what-have-you.

The CHAIRMAN. I think we should all refrain from characterizations when we are referring to other people. With my experience it is that we all have a hard enough time.

You take the statement that was made earlier, that if we are going to have the type of witnesses we have had, we ought to have a psychiatrist examine them. That casts a reflection on these two witnesses.

Mr. HAYS. I did not mean to cast any reflection on the other 2 witnesses as much as I did on the 1 here, to be frank about it.

I do not know whether I am awake or dreaming, to tell you the truth. Sometimes, to use the expression of one of the reporters this morning, this could not be happening; we must have all been asleep.

I have had a lot of nightmares, but never one like this.

The CHAIRMAN. As I recall the way the statement was made, referring to the ones that had been called, it was two very eminent scholars who were widely recognized in the field of education.

Mr. HAYS. The first witness turned out to be a witness for the other side on cross-examination, about the NEA. He certainly damaged that argument terrifically.

The second one, I think, is a kind of nice mixed-up fellow that needs straightening out somewhat. At the moment I think he is a little confused.

I do not mean to imply anything is badly wrong with him.

Mr. SARGENT. This reading this morning was at your request.

Mr. HAYS. You dropped in the name of Senator Douglas and one other name I do not remember. I merely said if you are going to start dropping names of political people, let us put them all in the record. The record will show that.

Mr. SARGENT. You asked for all the names, however, and I gave them.

Mr. HAYS. That is right, because you put in the name of Senator Douglas and I personally believe you did it deliberately with malice aforethought.

Another thing you did, you brought in the name of Sister Mary Margaret, and then you pause for emphasis and put in the name of McCarran.

I submit to you that ordinarily people in the orders do not use the last name and I wonder if it is in the flyleaf of the book.

Mr. SARGENT. It is. I gave you the information about the author and the book.

Previously you had been questioning authority for the statements I was making. I want to make it clear that I was relying on a high-type of research book in the statement I made.

Mr. HAYS. Maybe we ought to subpena the officials of the Catholic University and find out how high-type this is.

I happen to know something about the background of the author of that book, how long it took her to get a degree, and so forth, and even that there was a little pressure used or she would not have it yet.[1]

Mr. SARGENT. May I go on?

The CHAIRMAN. I question seriously whether references of that type ought to be thrown out in the committee.

Mr. HAYS. If we are going to throw them out we ought to throw them all out.

I made a point of order. The rules are here. Are we going to abide by them?

The CHAIRMAN. I am interested in the decorum of the committee as a whole. I do not know this Sister.

Mr. HAYS. I do not know her, either, but I have done a little checking. You see, that is where you are at a disadvantage. You have to use your lunch hour to try to find out what kind of documents these are.

Mr. SARGENT. I will bring the book for you tomorrow morning.

Mr. HAYS. The book itself does not mean anything. It is but one person's opinion. You are buttressing your opinion with somebody else's opinion.

Mr. SARGENT. It is based on original documentary material. I checked some material at the Hoover Institute on War, Peace, and Revolution at Stanford University.

It is considered to be the best document of its kind in existence. I think any well-grounded scholar will tell you the same thing. The book is eminently reliable.

Mr. HAYS. I want to vote right now whether we abide by rule 1, or whether we do not. I am going to insist we have a vote. We have a right to have one.

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[1] Statement of rector of the Catholic University of America, regarding this comment appears at p. 1179, pt. 2.

It says here:

If a majority of the committee believes—

and I do not know how we are going to find out how the rest of them will believe unless we put the question.

The CHAIRMAN. There have been no names brought in here in a derogatory way so far as the chairman can see. It happens that 1 of the other 2 majority members has been engaged in drafting the Social Security Act at this time—the amendments to it.

The other is a chairman of another important committee.

Mr. HAYS. That is interesting. They gave their proxies to you to do their thinking for them. It says:

If the majority of the committee believes.

I do not see how we are going to get the basis for that unless you are going to do their thinking for them or have them here to say what they think; 1 of the 2.

I would not even object to this unusual procedure, Mr. Chairman, but we have had it before, and when we want to cross-examine these people we cannot cross-examine them because tomorrow we have subpenaed so and so and the next day we have so and so.

I know what is going to happen. When the great crusade bogs down completely, we will all go home and that will be the end of the hearings and the other side will not be heard.

The CHAIRMAN. Mr. Sargent says that he will make himself subject to cross-examination after his whole testimony is completed.

Mr. SARGENT. I can come back here next Monday or Tuesday for that purpose and the transcript can be written and it can be studied fully.

Mr. HAYS. How long have you been here now under subpena?

Mr. SARGENT. I arrived in town Wednesday morning, last Wednesday.

Mr. HAYS. The committee has been responsible for your expenses, I suppose, ever since then?

Mr. SARGENT. I don't know what the rule is on that. I felt a need for an adequate preparation.

Mr. HAYS. In other words, the taxpayers of the United States are paying for you to come from California to Washington and getting these documents together.

Did you have any help from our staff?

Mr. SARGENT. Yes, I did.

Mr. HAYS. Now, the truth begins to come out. The staff helped you out, too?

Mr. SARGENT. Yes, that is right.

Mr. HAYS. You know, that is a kind of funny thing. I cannot even get one staff member to help me because there is not any minority staff, but they help the witnesses that they go out and dig up and bring in who present the same peculiar type of thinking apparently that they do.

Mr. SARGENT. May I testify, please?

Mr. HAYS. I do not know. We have not decided yet.

Mr. SARGENT. I am here to testify. I would like to do it, Mr. Hays, and to give you the truth based upon documents, books, and pam-

phlets, and to read from them accurately and comment normally on the material I read. That is why I am here.

Mr. HAYS. Mr. Chairman, there is a principle involved. I would like to go along with you. I like you and all that.

The CHAIRMAN. The Chair overrules the point of order.

Mr. HAYS. All right. I move that under the rules the witness be dispensed with until such time as the committee can decide whether or not they want to subpena him in executive session.

Mrs. PFOST. I second the motion.

Mr. WORMSER. Mr. Chairman, may I bring out one material fact?

Mr. Sargent, to what extent has the staff of the committee assisted you? Personally I have had about 10 minutes conversation with you. I have seen none of your material.

Mr. SARGENT. Simply in getting various things for me which I desired, and just in the way of general help, not a great deal of specific help. I brought quite a quantity of stuff with me and I had various requirements. I, of course, had to familiarize myself with your prior proceedings to see what was desired.

Mr. WORMSER. I supplied you with no material except what you requested specifically for us to get?

Mr. SARGENT. That is right. I went to the Library of Congress and I ran down material on things which I lacked. I did my own research here. It has been entirely for your benefit.

I have come here at personal financial sacrifice, as far as that goes.

Mr. WORMSER. The implication that the staff has in any way prepared your testimony is not correct?

Mr. SARGENT. On the contrary, I prepared it myself and it is my own views.

Mr. HAYS. I was trying to find out the answer to that question, whether they did, or not.

The CHAIRMAN. The answer is that they did not.

Mr. HAYS. All right, that is what I wanted to know, but they did give him clerical help. Up to now I have asked for a transcript of the facts from them and I have not been able to get them.

The CHAIRMAN. I vote "no," and I also vote the proxy's "no."

Mr. HAYS. I have one more question to ask.

Are you going to abide by the rules?

The CHAIRMAN. Yes.

Mr. HAYS. If the minority is not here, you cannot have a hearing?

The CHAIRMAN. That is right, without any majority of the committee.

Mr. HAYS. We will be back when we get a majority of the committee, but I want to hear the other two vote, themselves.

The CHAIRMAN. Under the circumstances the committee stands adjourned until the morning at 10 o'clock.

The committee tomorrow will meet in the caucus room in the Old House Office Building.

(Thereupon, at 3:20 p. m., the subcommittee recessed, to reconvene at 10 a. m. Tuesday, May 25, 1954, in the caucus room, Old House Office Building.)

TAX-EXEMPT FOUNDATIONS

TUESDAY, MAY 25, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10:28 a. m., pursuant to recess, in room 1301, New House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece, Wolcott, Hays, Goodwin, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst.

The CHAIRMAN. The committee will come to order.

The Chairman would like to make a statement. In view of the fact that one of the members of the committee referred to the other side, and in other expressions inferred that the majority of the committee or its counsel or staff had taken a side, I was trying to prove a case, neither the majority members of the committee nor its counsel or staff have a side in this inquiry, as the chairman has heretofore said. As a convenience to the foundations, an initial report was submitted outlining the main lines of major criticisms of foundations which a preliminary study by the staff had shown were sufficiently supported by evidence to warrant considering carefully.

We are now in the first stage of assessing these criticisms by hearing some of the supporting evidence. We shall later hear evidence supplied by the foundations themselves, defending against these criticisms. We shall not prejudge. We shall not try to prove a case. We are here to learn what the truth may be.

Needless to say, criticism cannot be expected to come from the foundations themselves. It must come, if at all, chiefly from persons not directly connected with foundation matters. We shall give foundation representatives respectful attention. We do not see why persons who have criticism to offer are not entitled to the same courteous treatment. Failure to give them such courtesy and inclination to condemn them for daring to criticize frankly and even severly would seem to me to deny such witnesses the privileges of citizens and to fail to give them the consideration to which we believe they are entitled from members of the committee.

Mr. HAYS. Mr. Chairman, in reply to your prepared statement, I will say off the cuff that I did not infer that there was another side. I stated frankly that there was another side. Anybody who wants to read your statement in the Congressional Record or in volume 1

of this transcript will very definitely get the impression that you were on that side. Then if they will read Mr. Dodd's statement, they will see that after 6 months of research, that he got on your side, too. If anybody has the stomach to read that statement of yours clear through, and then get up here and say there is not a side, and there has not been a very definite and damaging attack made on foundations, they better reread it.

The CHAIRMAN. Mr. Sargent had not completed his statement when we adjourned——

Mr. HAYS. I have a point of order before he starts.

The CHAIRMAN. At the time of our recess yesterday. The question, I think, arises whether he should be permitted, as he has expressed a desire, to complete his statement and then make himself available for criticism or for questioning when he has concluded—he agreeing to make himself available for that purpose.

The chairman's interest is in orderly procedure and in moving forward. We spent the better part of the day yesterday and the witness was able to make very slight progress on his statement, and I am wondering what the wishes of the committee with reference to procedure might be.

Mr. HAYS. I have a point of order right now.

The CHAIRMAN. May I hear it?

Mr. HAYS. You sure may. I am quoting clause 25, rule 11, paragraph (f) of the Rules of the House of Representatives, very briefly:

> Each committee shall so far as practicable require all witnesses appearing before it to file in advance written statements of their proposed testimony, and to limit their oral presentation to brief summaries of their argument. The staff of each committee shall prepare digests of such statements for the use of committee members.

I make a point of order that the witness has not complied with this rule, that it has been practicable for him to do so inasmuch as the staff typed up his statement for him, or at least assisted him in it, and there is no reason why this rule should not be complied with.

The CHAIRMAN. A preliminary statement was prepared yesterday for the members of the committee, and likewise for the press. It was not comprehensive. The Chair had understood that the witness expected to confine, after his opening analysis of his testimony, largely to documentation, and in view of that fact, the Chair indicated to the witness that method of procedure would be satisfactory, if he made himself available for questioning after the transcript was available to the members of the committee.

Mr. WOLCOTT. Mr. Chairman, the situation seems to turn on whether it is practicable or not. Those of us who have any responsibility in presenting this testimony realize that it might not be practicable under the circumstances for the witness to prepare a statement, nor for the staff to digest it. The question turns on whether it is practical or not. I think we would get more information that we are seeking without a prepared statement than we would in a prepared statement.

I am very much interested in the subject this witness is discussing. I might say I have my own views on Fabian socialism, or whatever you might call it. I think the real danger to the American system of government is not communism. The real danger to the American system of government is Fabian socialism. If any of these foundations are engaging in practices paralleling the growth of Fabian socialism

in the British Empire, which resulted in the socialization of the British Empire to the prejudice of their type of democracy, then I think it is the duty of Congress, surely the members of this committee, to find out what is happening.

I understand that this witness has qualified himself as more or less expert on this matter. That is the thing that we are seeking, information which he has.

As far as anything else is concerned, I would let the chips fall where they may. We have to make a record here and find out what is going on. The Fabian Socialists work quietly through infiltration. The Communists are out waving their red flags and yelling and whooping and hollering and picketing. We can see that. We cannot see Fabian socialism. We have to dig for it. We are in the process now, as I understand it, of digging for it.

Mr. HAYS. Yes, sir; we were digging back in 1892.

Mr. WOLCOTT. That does not make any difference. The Fabian Socialist movement in Great Britain went back to the turn of the century. Great names were mentioned. George Bernard Shaw was one of the greatest of Fabians in Great Britain. He has the respect of millions of people. I am sure that the founders of these foundations would turn over several times in their graves if they felt that their money was being used for the destruction of the American system of government. Whether it is destroyed by socialism or communism is not the point. I think we owe them an obligation, as well as ourselves and the people whom we represent, to find out whether there is any danger to the American system, and where it lies. That is the reason I am on this committee. I would not be on the committee if I was not interested in that subject.

I have several other committees that take up most of my time. I cannot stand here—I have not the time—to bicker about the way in which we develop the matter. We have got to do a job and it has got to be done. It has got to be done pretty quickly. Otherwise, we are running the same course, a parallel course, to Fabian socialism which destroyed Great Britain. I do not like it, frankly. I do not like what I see on the horizon. The sun is not coming up. It is a very cloudy day in America because of Fabian socialism.

Let us bring it out here and find out what is going on.

Mr. HAYS. There are a lot of differences of opinion.

Mr. WOLCOTT. I know it. I have been charged repeatedly before the Banking and Currency Committee of years gone by of seeing ghosts under the table. Sometimes those ghosts come out and kick you in the shins. We want to avoid that if we can.

Mr. GOODWIN. Mr. Chairman, I am temporarily on leave from another committee, and a most important executive session. I am not interested at the moment in colloquy between members of the committee. I understand you have a witness ready to go forward. I understand you have a point of order before you. Is there any reason why that cannot be concluded.

The CHAIRMAN. The point of order is over. The Chair sees no practical justification for upholding the point of order, and he overrules the point of order.

Mr. HAYS. The Chair would not uphold any point of order that he did not agree with, no matter what the rule said. That has become pretty obvious in these hearings.

The CHAIRMAN. Now——

Mr. HAYS. Don't start interrupting me, or you better bring in the sergeant at arms, because I am going to be heard just the same as you are. You may be afraid of Fabian socialism, but I am afraid of Republican dictatorship. Let us get it out in the open. You brought in the shock troops here, so let us fight it out.

Mr. GOODWIN. I understood we were going to hear the witness.

Mr. HAYS. We are going to have more points of order.

The second point of order is that the committee is in violation of the rules of the House and the Reorganization Act, inasmuch as the minority of the committee has been deprived of one single staff member.

The CHAIRMAN. The Chair overrules the point of order.

Mr. HAYS. I will say the Chair did not keep his word. When I helped the Chair get his $65,000, so you would not look stupid when they were going to shut you off, you promised me a staff member. Did you or did you not?

The CHAIRMAN. No one has individually a member of the staff.

Mr. HAYS. You have the whole staff.

The CHAIRMAN. There is a member of the staff that was employed on the recommendation of the gentleman from Ohio.

Mr. HAYS. As a stenographer.

The CHAIRMAN. No; not as a stenographer.

Mr. HAYS. That is what she does.

The CHAIRMAN. As an analyst or researcher, I am not sure what her title is. That is what our understanding is.

Mr. HAYS. I have a motion to make. I move that we hear this witness in executive session in order to prevent further name dropping and any further hurting of people who have no place in this hearing.

Mrs. PFOST. I second it.

Mr. WOLCOTT. As a substitute for that, Mr. Chairman, I move that the witness be allowed to proceed with his statement without interruption.

Mr. HAYS. You can pass all those motions you want, but I will interrupt whenever I feel like it. How do you like that? So you might as well save your breath, Jesse.

Mr. WOLCOTT. I should like to.

Mr. HAYS. You run the Banking and Currency Committee without proxies, but in this committee you run it with proxies. You make the rules as you go along for the majority, and I will make the rules for myself as I go along, and if this fellow does not want to bring in a statement, I will interrupt him whenever I feel like it. He better get a bigger mouth than that.

Mr. WOLCOTT. As I understand it, this committee made the rules, and we are proceeding under the rules adopted by this committee.

Mr. HAYS. You know there is no such rule on this committee. When did we make this rule?

Mr. WOLCOTT. I understand we can vote by proxy. If we do not, I shall make a motion that we do vote by proxy. I understood that I had given the chairman a proxy and there had been no objection to it.

Mr. HAYS. I just want the record to show that you rule one way in the committee of which you are chairman and another way here.

Mr. WOLCOTT. You can make that record if you want to. The Banking and Currency Committee of 29 members have asserted themselves on a good many occasions, and we get along very nicely in that com-

mittee and with the rules of the House. Until the Banking and Currency Committee changes the rules, we will abide by the rules which have been adopted, if any have been adopted. I do not remember that any have been adopted. We operate under the rules of the House.

Does anybody want to support a substitute motion? I move a substitute motion to the motion made by the gentleman from Ohio that the witness be allowed to proceed with his statement without interruption, and at the conclusion of his statement that he subject himself to questioning.

Mr. GOODWIN. Second.

Mr. HAYS. I have something to say on that motion. It might take quite a little while. In the first place, what this motion entails is that this fellow can come in here and do what he did yesterday.

Mr. GOODWIN. Who is "the fellow," may I inquire?

Mr. HAYS. Right down here.

Mr. GOODWIN. You mean the witness?

Mr. HAYS. I will call him anything I like. We understand each other.

Mr. GOODWIN. Mr. Chairman, I have something else to do besides——

Mr. HAYS. Go ahead. Whenever you go, the minority will go, and that will be the end of the hearing. If you can just stay here and be patient, I have a right to be heard on the substitute and I am going to be heard on the substitute.

The CHAIRMAN. Reasonably.

Mr. HAYS. I will decide what is reasonable. In other words, you know the trouble around here—and this is pertinent, too—that there have been too many committees in which the minority has allowed itself to be gaffled into submission and silence. I am going to be the kind of minority that does not go so easy for that gaffle stuff.

Mr. WOLCOTT. You have been in the minority for 20 years.

Mr. HAYS. You know the funny part of it is that most of you fellows are still in the minority, because you don't seem to have the responsibility to run this Congress. That is why the great crusade is in reverse.

Mr. WOLCOTT. If the minority will allow us to assume our responsibility, we will get along.

Mr. HAYS. The minority on this committee is not going to sit here silent and have peoples' characters assassinated at will by dropping their names in as Senator Douglas' name was dropped in yesterday, deliberately, because it was 1 of only 2 names the witness mentioned out of a whole series of names. He had his name underscored in the pamphlet that he was reading from. He had the name "Paul Douglas" underscored.

The CHAIRMAN. But the others were being put in the record.

Mr. HAYS. At my insistence, let the record show.

The CHAIRMAN. No, they were being put in the record.

Mr. HAYS. No, they were not being put in the record. The only thing that was going into the record was what this gentleman was going to say. I said if you are going to read—the record is here, and if you want to start reading from the record, I will read from the record.

Mr. WOLCOTT. I ask for the question.

Mr. HAYS. I am still talking.

Mr. WOLCOTT. I ask for the question.

Mr. HAYS. Go ahead and ask. I say the gentleman is coming in with a shotgun and shooting in all directions, and the committee does not want to give protection to the people whose characters he is going to assassinate. That is what the substitute motion does. I think it is bad and in violation of the rules of the House. It is in violation of the rules of orderly committee procedure which you seem to be so concerned with. I just want the record to show that if the majority wants to let people like this come in and do that, that is up to them.

The CHAIRMAN. All in favor say "Aye."

Mr. WOLCOTT. Aye.

Mr. GOODWIN. Aye.

The CHAIRMAN. Opposed, "No."

Mr. HAYS. No.

Mrs. PFOST. No.

The CHAIRMAN. Aye. Three have voted in the affirmative and two in the negative. The substitute motion is carried.

Mrs. PFOST. Mr. Chairman, I have a motion. I move that the committee subpena Dean Rusk, president of the Carnegie Foundation, and hear him just as soon as possible.

Mr. HAYS. Would you like to make that more specific and say "as soon as we finish with this witness"?

Mrs. PFOST. Yes. I will add that, "as soon as we finish with this witness."

Mr. HAYS. I will second that motion.

The CHAIRMAN. The committee has had in mind hearing Dean Rusk. I think the chairman's own view is that there ought to be an orderliness about the procedure. No doubt Dean Rusk——

Mr. HAYS. What is disorderly about subpenaing him next?

The CHAIRMAN. So far as the chairman is concerned, he certainly has no personal objection to his appearing at any time.

Mr. HAYS. I am anxious to ask him 1 question, just 1, I promise you, and if he answers it as I think he will, I may ask a second to just complete an identity.

The CHAIRMAN. Who is that?

Mr. HAYS. Mr. Rusk. I will give you a promise that is all I want to ask him. But if he answers the question as I believe he will, it may change the whole course of these hearings, and we may find that we have to back up and make a fresh start.

Mr. WOLCOTT. May I ask the chairman if it is the intention of the staff to have Dean Rusk before the committee?

The CHAIRMAN. That is the intention; yes.

Mrs. PFOST. How much later on, Mr. Chairman?

Mr. KOCH. As soon as all of the so-called criticisms are before the committee so that Dean Rusk and anybody else can answer all of them.

Mr. HAYS. Is there any reason why he can't come in and answer one question that will take perhaps 5 minutes?

Mr. KOCH. I would suggest that maybe we could stipulate that you send him the question and let it be read into the record.

Mr. HAYS. No; I want him to appear under oath. He has to be under oath or else the answer is no good.

Mr. KOCH. Couldn't he put it in an affidavit?

Mr. HAYS. No.

Mr. KOCH. The point is that if he has to come back later to answer a lot of other questions as a matter of convenience for him—maybe I should not be arguing his convenience—but later on he may want to be on for a whole day.

Mr. HAYS. It only takes an hour for him to come down—where is he, in New York?

The CHAIRMAN. The plan of the procedure, may I say for the members of the committee who have not all had an opportunity to be here all the time, was to present what was generally termed a line of criticism against the foundations. Then the foundations and those who might be interested in speaking on their behalf would have full knowledge of everything that was said and be able to make a complete coverage, or as complete as they desire to do so. That was the procedure as I indicated in my statement a little earlier, that we intended to follow. The Chair has no deep feeling about it one way or another. I shall consult the attitude of the other members of the committee.

Mr. HAYS. Mr. Chairman, let me say that you have expressed a great deal of concern both here in public and in private about the expediting of these hearings. I told you that if the minority could have a feeling that any slight wish that it might have might be respected that you might find it easier to get along with the minority.

Now, we are only asking in the form of a motion that Mr. Rusk be brought in here for 5 minutes. We will even give you a time limit on him.

The CHAIRMAN. I would hardly be inclined to feel that we bring him in under limited time.

Mr. WOLCOTT. I have a good many questions to ask all of these foundations when they come in.

Mr. HAYS. I have no objection to bringing him back later, Mr. Wolcott, but there is a very pertinent thing that ought to be brought out at this point, and I want him here to ask him. It has a great deal of bearing, as you will see. I can' say what it is at the moment.

Mr. WOLCOTT. How can we vote intelligently——

The CHAIRMAN. If the witness is to be called, it would not be the chairman's thinking that he ought to be called subject to limitations.

Mr. HAYS. I don't care whether you do or not. I merely offered that to your convenience to show you that we were not trying to dilly-dally or delay by having him here.

Mr. WOLCOTT. Question.

The CHAIRMAN. The Chair will either put the question or he will say that Dean Rusk will be summoned to appear after we have concluded with Mr. Sargent's testimony.

Mr. HAYS. That is satisfactory.

Mr. WORMSER. Mr. Chairman, may I respectfully suggest that while counsel has not the slightest objection to calling Dean Rusk for this purpose, we hope it will not be a precedent so that the procedure we planned will be disturbed.

The CHAIRMAN. It is not so intended. It is an exception.

Mr. HAYS. Let me say to you this, Mr. Wormser, that we are using the name Dean Rusk. I am not acquainted with the gentleman at all. I never met him that I know of. But I believe he is the president of the Carnegie Foundation.

Mr. WORMSER. Rockefeller.

Mr. HAYS. That is the man I want.

Mr. WORMSER. We intended to call him. I have had conversations with Dean Rusk.

The CHAIRMAN. That was so understood, and the chairman will issue a subpena to that effect.

Mr. WORMSER. Excuse me, Mr. Chairman, one more thing. There was some difficulty in arranging for two professors to appear next Tuesday, Professor Rau of Yale, and Professor Colgrove, formerly of Northwestern. It is rather difficult to get these men who are on active duty. Could I put them on Tuesday?

The CHAIRMAN. Dean Rusk will not consume all day Tuesday, and I would suggest that they be available when Dean Rusk completes his testimony.

Mr. WORMSER. All right.

(Discussion off the record.)

The CHAIRMAN. This is a friendly discussion here.

You may proceed, Mr. Sargent.

TESTIMONY OF AARON M. SARGENT, ATTORNEY, SAN FRANCISCO, CALIF.—Resumed

Mr. SARGENT. During the course of our discussions yesterday, there was reference to an original source book upon which I relied in giving certain testimony regarding the early history of the British Fabian movement.

Mr. HAYS. I have a question right there, and that is this: On these source books and these various things you are going to read into the record, will there be many more names read into the record?

Mr. SARGENT. I will read the title of the book, I will read the author of the book, I will read literally and exactly the order in which material appears, any panel of names starting with the first name and going to the last name, and making no selection of my own in between the first and the last. I do not intend to create the inference you suggested yesterday, I assure you, sir. That will not happen again.

Mr. HAYS. All right.

Mr. SARGENT. I am referring to this book now because there was some comment——

Mr. HAYS. I have another question right there.

Mr. SARGENT. I understood I was not going to be interrupted.

Mr. HAYS. You misunderstood then. You did not hear what I said. You said you didn't intend to create the inference that was created yesterday. As I read the press this morning, I read in one of the papers, a New York paper, that some reporter asked you if Paul Douglas which you mentioned, and you mentioned only one other name at that point in the testimony——

Mr. SARGENT. Isadore Lubin was the other name.

Mr. HAYS. If that were the Senator from Illinois, and the paper quoted you as saying that you presumed that it was; is that correct?

Mr. SARGENT. I thought it was, yes, because of Paul Douglas' subsequent appearances at various meetings of the League for Industrial Democracy, as shown by its publications.

Mr. HAYS. Then you did intend deliberately to put Paul Douglas' name in the record.

Mr. SARGENT. I had no particular intend to ascribe anything to him aside from showing the fact that he was there. I underscored those two names because——

Mr. HAYS. That is exactly what——

Mr. SARGENT. May I finish my answer, please? I underscored those two names because those names were known to me.

Mr. HAYS. Mr. Sargent, apparently the minority is going to be overruled quite a bit, but the minority is going to insist that we try to conduct this as nearly as possible in conformity with other congressional hearings. When any member of this committee—majority or minority—asks you a question, that doesn't give you an automatic license to make a speech. You could have either answered that question "yes" or "no." That is all I want. If you are so anxious to conserve time, perhaps if you would just be a little more succinct in your answers to the questions I ask you, we could conserve some time that way.

I ask you, did you deliberately intend to put the name of Paul Douglas in the record?

Mr. SARGENT. No, not in the sense in which you ask the question.

Mr. HAYS. You are interpreting the sense I ask the question?

Mr. SARGENT. No. I would like to explain my answer. May I do so?

Mr. HAYS. Did you have his name underscored in the pamphlet?

Mr. SARGENT. Yes, along with other names.

Mr. HAYS. All right, that is enough.

The CHAIRMAN. You may proceed.

Mr. SARGENT. I did not read the remaining names because they were not particularly known to me especially, and I was trying to conserve the time of the committee. There was reference to this book on Fabianism. I have it before me. It was part of my luggage I brought from California with me. The exact title of the book—I am reading on the cover itself now—is, Fabianism in the Political Life of Britain, 1919–31. The author's name given below is McCarran. At the bottom the publisher's name, Heritage Foundation.

The next item on the flyleaf reads as follows:

Fabianism in the Political Life of Britain——

Mr. HAYS. Just to get the record straight, would you be able to mention the names of any other books published by this Heritage Foundation?

Mr. SARGENT. Clarence Manion's book, The Key to Peace, has been published by them and distributed widely through the American Legion.

Mr. HAYS. He is the fellow that Eisenhower fired?

Mr. SARGENT. He did not fire him. Are you attacking Manion along with the rest of them?

Mr. HAYS. No, I wanted to know if it is the same company that published his book.

Mr. SARGENT. They do, and I think the American Legion and many Members of Congress endorse that as a very valuable contribution to the subject.

The flyleaf is entitled, "Fabianism in the Political Life of Britain, 1919–31."

On the next page I find the following:

This dissertation was conducted under the direction of Prof. John T. Farrell, as major professor, and was approved by Prof. Friedrich Engle-Janosi, and Rev. Wilfred Parsons, S. J., as readers.

The title page itself, and I am reading in full, is the following:

Fabianism in the Political Life of Britain, 1919–31.
A Dissertation.
Submitted to the——

Mr. HAYS. Mr. Sargent, may I interrupt you again?

Mr. SARGENT. Yes.

Mr. HAYS. I would like to be a little patient with you and let you read as much as you like. This committee also has some problems and one of them is the lack of time to do everything that we would like to get done. If you are going to spend your time reading flyleaves and title pages, is there any objection—and I will assure you there will be none—if we include the title page and flyleaf in the record? You have been 5 minutes reading that and what does it mean after you have read it?

Mr. SARGENT. I am very anxious to save time. There was reference to the thing. I want to say this, that this shows on its face it is a dissertation submitted to the faculty of the Graduate School of Arts and Sciences of the Catholic University of America in partial fulfillment of the requirements of the degree of doctor of philosophy, and the author's name appearing in the book is Sister M. Margaret Patricia McCarran, Ph. D., of the Sisters of the Holy Names, second edition.

As some evidence of the thoroughness of the work, I would refer to the bibliography in the back. It cites 85 authors and material, and in addition it refers to Fabian treatises and pamphlets, tracts, articles, a wealth of source material.

It is my opinion and of many others who study these subjects that it is the outstanding book of its kind. I have the book and would like to leave it with the clerk for the convenience of any member of the committee to examine.

The CHAIRMAN. Filed with the committee, but not for printing.

Mr. SARGENT. Not for printing, hardly, no.

Mr. HAYS. Because we don't have a copy of what you are going to say, it is very difficult to keep all these straight. Would you repeat the title of that once more, please?

Mr. SARGENT. You mean the title page? Fabianism in the Political Life of Britain, 1919–31. The first chapter is the introduction——

Mr. HAYS. Would you want to give us a little digest of what this is all about?

Mr. SARGENT. What, the book?

Mr. HAYS. Can you give us a thumbnail sketch of what its conclusions are, or anything?

Mr. SARGENT. The book itself——

Mr. HAYS. Or is it just a running history of the movement?

Mr. SARGENT. First of all the introduction, the valuable part for present purposes, the introduction itself, which gives the early history of the development of the movement there in Great Britain commencing in the 1880's and running down to the 1900's. It is necessary for the author to give that as background before the commencement of her study. She picks up the period from 1919 to 1931, explaining the

way in which the Fabian Party made its infiltration of Great Britain effective, and dominated Government policy and put over its system. That is what the book is about.

Mrs. PFOST. In Great Britain?

Mr. SARGENT. Great Britain; yes. It is significant because it is my judgment a parallel of certain efforts that are being made in this country. I will read you the various titles if you want the scope of it.

Mr. HAYS. No; I was trying to get a general idea of what is in it.

Mr. SARGENT. The period under critical study is 1919 to 1931, but the background material is the one to which I referred, namely, the inception of the Fabian Party and the persons identified with it.

Mr. HAYS. I understood you to say that in your opinion there is a parallel between that movement in England and some similar movement here.

Mr. SARGENT. Yes, there is a tie—there is apparently a tie-in.

Mr. HAYS. Do you think there is any movement in the United States, even a small one, which might be roughly compared to the Nazi-Socialist movement in Germany?

Mr. SARGENT. I wouldn't compare them as such. No, I think there is a radical intellectual elite that is attempting to subvert and guide the policies in our country and the foundations are aiding them financially.

Mr. HAYS. We sort of got off the trail there, didn't we? I am asking if there is any group which would be diametrically opposite to that, who would like to put the country in some sort of dictatorship of wealth, we will say, and sort of orient all thinking into their way of thinking, such as the fact that big wealth should be allowed to be predatory, it should not have any income tax, and that the oil depletion allowance ought to go up from 27½ percent, I have heard the figure to 75 percent, and things like that. Do you think there is any concerted group that is pushing that kind of philosophy?

Mr. SARGENT. It is not that kind of picture. It is a different picture, but it is subversive. I will answer that fully when I complete my evidence here. The evidence I have here bears on that question.

Mr. HAYS. When you get through your testimony, I will be glad to ask you again.

Mr. SARGENT. I will be glad to have you make a note of it and remind me.

My position in this matter, first of all, I think I should state clearly as an aid to free consideration of my evidence. The position I take is that we have here involved a right of freedom of inquiry. That includes the right to make an academically free inquiry into the success and failures of the past 50 years, to determine our future course of action with due regard to the results of such an analysis competently made. We have the right to consider and to give proper weight to such views as expressed along that line by a scholar such as Clarence Manion in his book, and others. In short, that particular point of view is entitled to equal consideration and equal publicity with the views of those who may happen to disagree with this particular wing, if you want to call it that.

Mr. HAYS. Let me ask you a question right there. I am inclined to agree with that as I understood you reading it. You say that you believe that everyone should have a right to freedom of academic inquiry—is that the way you stated it—and that the views of both

sides should have an equality of presentation, or is that generally what you said?

Mr. SARGENT. Yes, I am standing here particularly for the right of what I call critical study and analysis and the publication of the results of that critical study and analysis, and the right to have foundation support in making it.

Mr. HAYS. That leads me right up to what I want to ask you. You say, or you are implying—I think you are saying, and I don't want to put words in your mouth—that the foundations have not been supporting your point of view.

Mr. SARGENT. Definitely.

Mr. HAYS. You think the Congress ought to make a law and say, "Look, you foundations have to support Mr. Sargent's point of view," is that right?

Mr. SARGENT. No, I don't say anything like that. I say if they don't do that, they become propagandists for one side and cease to be educational, and should forfeit their exemption privilege.

Mr. HAYS. You don't think all foundations are on this side?

Mr. SARGENT. I think you will find an amazing picture if you inquire into it.

Mr. HAYS. I have done a little inquiring into it. I am not a self-appointed expert on the subject. But there are some foundations which do give the other side. What about the Heritage Foundation?

Mr. SARGENT. Do you know the Heritage Foundation applied to the Ford Foundation for a grant to distribute Manion's The Key to Peace, and could not get the money? Do you know that?

Mr. HAYS. I don't know that, but I would say that a lot of people would say that is using intelligent judgment on the part of the Ford Foundation.

Mr. SARGENT. That is a fact.

The CHAIRMAN. For the record the chairman might state that the Heritage Foundation is not a foundation in the tax-exempt sense of the word.

Mr. SARGENT. That is correct.

Mr. HAYS. I am glad to have that in the record. I didn't know that.

Mr. SARGENT. No; it is a business corporation.

Mr. HAYS. As I say, I am not an expert.

Mr. SARGENT. But the Ford Foundation was unwilling to appropriate money to aid the distribution of a work of academic merit, Clarence Manion's book, here.

Mr. HAYS. You know it is a funny thing, but I have a copy of that book on my desk and I have read it. And there are certain things in it which I think are an interesting point of view. I don't agree with it 100 percent. I certainly would not criticize any foundation because they didn't see fit to distribute it, by and large. As a matter of fact, I think they would have wasted a lot of money if they had, because I don't think too many people would have read it if you made a present of it. It is pretty heavy going. You send 1,000 copies to the first 1,000 names you pick at random out of the telephone book in Washington and you won't find many people reading it.

Mr. SARGENT. I have some tangible evidence to submit on that point regarding the impact of this thing on the publishing business which I will give you in due course.

Mr. HAYS. Let me get back to one more question we have not cleared up. You said you were some official in the foundation; is that right?

Mr. SARGENT. I am an officer in a foundation which has been incorporated by myself. I left the articles here, yes. It was organized last August 1953. I am the president of it. It is merely a corporation with no funds and no activities yet.

Mr. HAYS. What is the foundation supposed to do? What is its purpose?

Mr. SARGENT. Its purpose is to study revolutionary movements, propaganda, and techniques, and to endeavor to prepare educational materials for the more effective combating of the advance of socialism and communism.

Mr. HAYS. What has prevented you from going ahead and doing that?

Mr. SARGENT. One thing that has prevented it is that I have been surveying the ground to find sources of money which are acceptable. We do not want to accept money under conditions involving financial censorship or control of our operations. We want to be in a position to proceed objectively without being required to stop following something significant because somebody's toes are being stepped on. Under those conditions we cannot use large foundation money, because we believe the result of this study will be critical to their operations. Therefore, we must find other patriotic money.

Mr. HAYS. In other words, you know what you are going to find out before you start?

Mr. SARGENT. No, we don't. We have some idea from what we found. The evidence I am going to give you, if permitted, will show precisely why I think that is the exercise of good judgment.

Mr. HAYS. You are going to be permitted. I can stay here all summer if necessary.

Mr. SARGENT. May I go on, please?

Mr. HAYS. No; I have another question I want to ask. I have to insist that you answer the questions, and you can go on when I am through asking the questions.

Mr. WOLCOTT. I thought the motion was that he be allowed to conclude his statement. I am very much interested in his statement. I am not so interested in your questions frankly.

Mr. HAYS. I know you wouldn't be. That is one reason I am asking them. We can either go ahead or under the rules the minority can leave and stop the hearing. Which way do you want to do it?

The CHAIRMAN. The other member stepped out momentarily.

Mr. HAYS. He is not here.

The CHAIRMAN. He is available and will come back.

Mr. HAYS. We may have to leave, and I am going to insist. You said yesterday you would obey that rule.

Mr. WOLCOTT. It is a prerogative of any Member of Congress to leave any committee any time he sees fit. It is also the prerogative of the committee to meet and adopt such rules as are necessary for orderly procedure.

Mr. HAYS. Let me say, Mr. Wolcott, that you are not going to gag the minority here.

Mr. WOLCOTT. I am not trying to gag anybody. I exercise my prerogative as a Member of Congress to make any motion that is germane to any subject before any committee of which I am a member.

Mr. HAYS. And also you have to call on the right of the chairman to overrule any point of order even if it is a rule of the House. In other words, we will make the rules as we go along. I will play that way, too. I have one more question.

In other words, you are not operating, because you do not have any money.

Mr. SARGENT. Because we have not found acceptable money as yet.

Mr. HAYS. Don't you think if the motives of your foundation—and I am not questioning you on that—are what you say they are, you could find some money if you look for it?

Mr. SARGENT. I have presented some applications. We are also studying the practical problems involved in how to carry on such an operation efficiently. The organization of an operation of this type as a new venture to fill a need which did not exist before involves taking steps carefully and with full consideration. I want to do a responsible job. There has been only a little over 6 months in the organization period, and we tried to do our study work first, preliminary study work, and go into the out-and-out financing element later.

Mr. HAYS. The main question, and this can be answered very briefly, is this: If you can get the money from the sources that you consider satisfactory, there won't be anybody trying to keep you from doing a job; will there?

Mr. SARGENT. I don't know.

Mr. HAYS. Nobody could, could they, if you have the funds?

Mr. SARGENT. I think the grip of some of these large foundations on the American people at the present time is something that will astound you. I think that we have a great lack of true freedom. There are men today who are afraid for various reasons to support things which they would otherwise approve of. I think you have a very serious condition and my evidence will reveal it.

Mr. HAYS. I don't think there is any doubt that people are afraid to support things they might otherwise approve of. In fact, there is a great noticeable lack of courage here about exploring into the hidden crevasses of these people who are trying to promote a Nazi philosophy in this country. As a matter of fact, if you ask any critical questions when you have certain types of people in the audience, you are liable to get called names, as I did yesterday. I think that certainly is a significant commentary on the jittery state of mind of America at this point.

I am not going to call you Hitler, because I disagree with you, and I don't mean to imply that you resemble him. But as mad as I would get with you, I would never call you that, because I would not stoop to that kind of dirty, nasty business.

Mr. SARGENT. My purpose, Mr. Chairman——

The CHAIRMAN. Mr. Hays had completed his questioning awhile ago, he indicated. If so, why not proceed with your testimony, Mr. Sargent?

Mr. SARGENT. Very well. Our position here also is that there should be and has been certainly up to now a want of access to foundation grants for the type of research to which I am referring, that the acid

test here will be to determine the willingness or unwillingness of these large foundations, let us say, now and in the future to do this. If they are carrying on propaganda or trying to build or create some order or form of social organization of their own, they will consistently continue this policy. On the other hand, if they are prepared now to assume their academic responsibility, these applications will receive consideration.

There are a few preliminary observations——

Mr. HAYS. Mr. Sargent, right there is a question. There has been a lot of noise around Washington and Congress that this inquiry was set up for one reason, to blackjack foundations into giving money for what they did not want to. Do you feel there is an attempt to do that?

Mr. SARGENT. No feeling on my part.

Mr. HAYS. None of your testimony would be inclined that way?

Mr. SARGENT. No. I am going to give you the facts here as they turn up. I want to turn out to you some things that I believe are significant in the law. Let us consider now this tax-exemption question. The immediate one, of course, is that an exempt foundation pays no tax on its own income, which is, of course, a substantial thing. But that is only a fraction of the impact of these conditions. An even greater factor of importance is the deduction rights of the people who give the money to the foundations. The exemption privilege that we are referring to generally here is title 26, United States Code, section 101, subsection (6), the familiar one about educational and scientific organizations not conducted for profit and not carrying on propaganda or otherwise attempting to influence legislation. Section 23 (O) (2) permits individual taxpayers to deduct their contributions to groups of this type. Section 812 (d) recognizes the deductibility on estate-tax returns. In that case the deduction right is without limit.

Therefore, if you have a foundation which is engaging in propaganda or political activity, you have in effect a front through which people as donors can pour money, and through that thing power, into this political action framework and themselves take on their estate-tax returns a total deduction for the whole thing, depriving the United States Government of all of the taxation rights on that money so given.

Henry Ford has done it. In the case of the income tax to the extent of the deduction allowed, the same things prevails.

Mr. HAYS. Are you saying they put money in political campaigns?

Mr. SARGENT. No; I say if a foundation acts in such a slanted or discriminatory fashion as to always ignore one side and advocate the other side, it is a propaganda group by the mere facts in the case. If you are advocating only one thing, or side, you are promoting that side. You are not educational at all. If you are objective, you give critical analysis facilities to the other side. The test——

Mr. HAYS. You used the term "political" in some concept.

Mr. SARGENT. I say the purpose of some of the foundation programs, as you will see from the evidence, is of a political nature and not in the sense of supporting a particular candidate, but promoting a philosophy and theory of government.

Mr. HAYS. Promoting any political party?

Mr. SARGENT. Using the school to build a new social order is political propaganda.

Mr. HAYS. Do you mean to imply they are favoring one political party or the other?

Mr. SARGENT. I think they are favoring the New Deal party.

Mr. HAYS. I would have gladly accepted a contribution from any one of the Fords. They seemed like nice people. They could contribute $5,000 in Ohio in my campaign, but they didn't. They gave it to the Republican Party, $25,000, as I recall.

Mr. SARGENT. I am just talking here about this foundation.

Mr. HAYS. They are a foundation.

Mr. SARGENT. Another factor here also is the leverage factor foundations exercise on the agencies they support. In the case of a university, they are always nip and tuck on a budget. A grant by a foundation of a few hundred thousand dollars can influence and guide the entire curriculum in the institution. The leverage factor could be as much as 10 to 1 on the basis of money contributed.

Mr. HAYS. I would like to ask you, Mr. Wolcott, in all friendliness, how is the budget of the University of Michigan derived?

Mr. WOLCOTT. I don't know.

Mr. HAYS. Is it State supported?

Mr. WOLCOTT. Yes.

Mr. HAYS. They get some outside money.

Mr. WOLCOTT. It is an endowed university, as I understand, and they get some money from outside.

Mr. HAYS. Let us not blanket them all. I know the universities in Ohio which are State supported come into the State legislature, Ohio State, Miami, Kent State, Bowling Green, and they submit their request in front of the proper committees, and if they can justify it, they get it. As a matter of fact, the criticism out there has been—I don't say it is justified, but you hear it a lot of times—that the universities can get any amount of money they want from the legislature.

Mr. SARGENT. There is a leverage factor capable of being exercised, and it may appear in some cases that it has been. That is my statement.

We are going into the history of this movement. I referred to 1913 as the date of the creation of the Rockefeller Foundation which was the second of the large funds established by the late John D. Rockefeller. That had power to benefit—to promote the welfare of mankind throughout the world, as I recall. His preceding foundation of 1903, I think it was—1902, General Education Board—had to do with the promotion of education in the United States. In 1916, the Rockefeller fund, known as General Education Board, published a pamphlet by Abraham Flexner. The pamphlet was entitled, "Occasional Papers, No. 3, A Modern School." It recommended changes needed in American secondary education.

Mr. HAYS. Right there, you said you were not going to use names, and I am not criticizing you for it.

Mr. SARGENT. As the author.

Mr. HAYS. Would you mind telling us something about this Flexner fellow?

Mr. SARGENT. He wrote a book. He was identified with various Rockefeller benefactions, as I understand. I have not checked him in detail. It was not my intention to discuss Mr. Flexner, but merely the fact that this pamphlet was written at the time and sponsored by this board. That is the limit of my interest.

Mr. HAYS. What is the title?

Mr. Sargent. Occasional Papers, No. 3, A Modern School. It was published by the General Education Board. A copy is in the Library of Congress, which I have personally examined. The recommendations and substance made in that pamphlet are that tradition is too largely controlling education, that there is too much formal work and subjects are too remote from experience. That what is needed is a modern concept, what is termed a modern curriculum, where there should be less reliance on textbooks and an activity program ought to be substituted.

Mr. Flexner advocated the experiment. The pamphlet in question contains the following statement of the foundation and I am quoting that here as I take it from my notes:

> The general education board does not endorse or promulgate any educational theory, but is interested in facilitating the trial of promising educational experiments under proper conditions.
>
> The board authorizes the publication of these papers with a request for criticisms and suggestions and an expression of opinion as to the desirability and feasibility of an experiment of this type.

That is the end of the quotation.

In the same year, namely 1916——

Mr. HAYS. Right up to there, are you expressing a criticism of what you read?

Mr. SARGENT. No; I simply am stating it happened. I am giving you things that happened when they happened factually as I find them to be. I am placing no interpretations except what the material itself gives. If I have any other interpretations to make, I will state it positively. If I do not state any interpretation, none in particular is intended except what normally flows from what I am reading.

Mr. HAYS. As I heard you read the thing, it sounded fairly logical to me.

Mr. SARGENT. I am giving the history of how the thing started. This was the inception of the movement.

Mr. HAYS. Would you mind refraining for a minute until I can see if we have some agreement on a matter of procedure. If we can maybe we can hurry this up.

(Discussion off the record.)

The CHAIRMAN. The Chair might say we have just had another friendly conference, and we have reached an understanding which was previously announced but which the Chairman wishes to state will be the procedure. That is for the witness to complete his testimony without interruption, and then will be available for full questioning at the conclusion of his testimony at whatever length the committee members might feel justified in questioning.

Mr. HAYS. Let me say, Mr. Chairman, at that point that was my suggestion and I make it for a number of reasons, the main one of which is, Mr. Sargent, that I hope you won't feel that I have belabored this point too much, but it is very difficult to sit up here and get the full implication of everything that you may read without having anything to follow to check back and forth on. Maybe we are spoiled, but we have become accustomed to that at committee hearings. The only reason I have been interrupting you is to try to clear up in my own mind and perhaps in the record some of the things that seemed to be inferences that maybe you did not mean to be inferences as you now say in the last one you didn't mean to infer. You are putting

it in, and you can read it and judge it. I will try not to interrupt you unless I think there is something I have lost the context and any interruption I make, please understand it, although I may disagree with you, I am not antagonistic to you. You have a right to your point of view. We will try to let you finish and then when we get the record that will be the same as if you prepared one in advance and submitted to us, which might have expedited. Then we will come back and examine you on the record.

Mr. SARGENT. I think that is perfectly all right. I think that is the perfect way to do it.

Mr. HAYS. The chairman and the ranking minority member agreed that the minority may have as much time as the conscience dictates, and I may make clear that the minority has no conscience, and there will be no limitation on time.

The CHAIRMAN. There is no disagreement on that procedure. The chairman recalls that was the procedure which he announced yesterday when the witness first appeared, and there has been no other disposition. But I am very glad to have a clarification of it, and we will proceed accordingly.

You may proceed.

Mr. SARGENT. In regard to the subject of names, I will say this again, and I will adhere to this strictly. Naturally, I will give the name of the author of the publication, because that is one of the facts surrounding it. It is not my intention in mentioning any names to infer anything else than the context itself may indicate. I am giving the content of certain things, and that will be read by excerpts in certain places, and I will summarize the general result in others, but they represent my attempt to fairly indicate what is in the book, if I don't read it in full.

Mr. HAYS. I have a question right there. Yesterday you indicated very definitely that you thought somebody or another, I forget who it was now, was subversive because he said he belonged to 56 Communist-front organizations or designated organizations. Would it be asking too much to say that we can assume that unless you otherwise designate that anybody you mention is not subversive just because you mention it, and if you think they are you will say so?

Mr. SARGENT. I think that is quite a burden. I haven't taken the trouble, Mr. Hays, to go through the names and affiliations of all the people I mentioned. The committee staff may find a tie-in or connection——

Mr. HAYS. What I am trying to say is that just because you mention them, nobody should assume that they are left wingers or subversives.

Mr. SARGENT. You should not assume that they are all right because I mention them, or you should not assume that they are all wrong. I make no statement one way or another. If I find something pertinent, I will mention it.

Mr. HAYS. If you find someone that belonged to a lot of front organizations, you will be sure to get that in.

Mr. SARGENT. I have not had the time to do that detail on all these people. I will give you a few from time to time that I think are pertinent. I have read the pamphlet here published by general education board by Flexner. The same year, 1916, the department of educational research was established at Teachers College, at Columbia

University. In 1917 the Lincoln Experimental School was established in New York City. The details on that experimental school which was under the guidance or auspices of, as I understand, the Teachers College, Columbia, is set forth in a pamphlet which is entitled "Introducing Teachers College." That is also a Library of Congress publication.

I have taken some quotations in that pamphlet, pages 32 and 33, which I am reading, as follows:

A few years later (meaning after the opening of the Teachers College) Teachers College by opening the Lincoln School kindled the fire which helped to spread progressive education. The school opened in September 1917, at 646 Park Avenue, with Dr. Otis W. Caldwell as director. It was established as one phase of the large-scale Teachers College program to intensify scientific educational research. A department of educational research had been organized at the college during the preceding year. About the same time Dr. Abraham Flexner of the general education board published a profound paper on the need for a modern school to test the possibility of a secondary school better adapted to American needs in which mathematics, modern languages, natural and social sciences, rather than the discipline of ancient languages and formal studies, would form the basis of a cultural education. It was introduced by Dr. Flexner's thinking and supported by the general education board. The college developed plans for this experimental school. In 1922 the 123d Street Building was opened. Dr. Caldwell relinquished the directorship in 1917 to head the newly established Lincoln Institution School of Experimentation and was succeeded by Dr. Jesse Newlon, former superintendent of the Denver, Colo., Public Schools.

To this rapidly expanding center of learning students began to come from abroad as well as from all parts of this country. It was Mr. John D. Rockefeller, Jr., who made it possible for Teachers College to attack this problem squarely. Again he showed his interest in the work of the college by making available through the International Education Board a subsidy of $100,000 a year for 10 years to be used to establish and maintain the International Institute of Teachers College.

In February 1923, Dr. Paul Monroe, who had been with the college since 1897, was appointed director of the institute. Dr. George S. Counts was made associate director a few years later.

That is the end of that item.

The year 1917, as you will recall, was the year in which the Bolshevik Revolution succeeded and took over the Government of Soviet Russia, and the Kerensky government was established.

Mr. HAYS. What is the significance of that?

Mr. SARGENT. The significance of that is that in 1920 the New York Legislature prepared the Lusk committee report concerning revolutionary activity, pointing out the danger of such conditions in our country, and that the condition they found was part of the atmosphere surrounding the period in which this development occurred, and may have had some influence upon it, as I think it did, from the subsequent actions in that school.

Mr. HAYS. Did I understand you to say that this committee report said that there was revolution in the air here in 1917?

Mr. SARGENT. I can't hear you.

Mr. HAYS. Do I understand you to say that this Lusk committee report indicated that there was revolution in the air here in 1917?

Mr. SARGENT. Yes, sir. That the conditions around New York City in particular was considered to be quite serious, and there were a great many intellectuals of that period who had very strong sympathies toward the revolutionary movement in Russia at that time. It is a long detailed report, Mr. Hays, and a very important document. It was published in 1920 by a committee of the New York Legislature.

Mr. HAYS. That is funny. I was around in 1917, and I have been around since, and I don't remember anybody thought there was much danger of a revolution then.

Mr. SARGENT. Among the intellectual elite there was very definitely such a condition during this period which is part of the history of it.

Mr. HAYS. You keep using the term "among the intellectuals" and "among the intellectual elite" and maybe I am reading something into it that is not there, but I seem to get a sort of nasty connotation. You are not an intellectual?

Mr. SARGENT. I am talking about the type of intellectual that promotes this thing. They are not true intellectuals at all. They are bigotists. They stand for a certain thing and do not tolerate or listen to the views of anybody else. They are the people historically who have promoted revolutions. The literature is voluminous on that. Prof. Ludwig von Mises of New York University points out specifically that socialism is not a revolt of the people. It is a program instigated by a special type of intellectuals that form themselves into a clique and bore from within and operate that way. That is the way these things happen. It is not a people's movement at all. It is a capitalizing on the people's emotions and sympathies and skillfully directing those sympathies toward a point these people wish to reach.

Mr. HAYS. Do all intellectuals gravitate toward that?

Mr. SARGENT. Of course not.

Mr. HAYS. There are some good ones?

Mr. SARGENT. I think Clarence Manion is an excellent one.

Mr. HAYS. Is he an intellectual?

Mr. SARGENT. I think he is a true intellectual.

Mr. HAYS. There is also that connotation. There are all shades of opinion.

Mr. SARGENT. I put it in quotes.

Mr. HAYS. That is when you begin to get people reading meanings into it, because they think you mean them to read a meaning into it, because it is in quotes, or it would not be in quotes. I want you to define "egg head" before we finish this. You defined that yesterday.

Mr. SARGENT. I think we will get down to that. If you want a quick picture of this revolt of the so-called intellectual group during this period, you will find that in Frederick Lewis Allen's book, Only Yesterday, discussion at page 228. He describes the atmosphere of the period in very clear terms.

In 1920, Prof. Harold Rugg began introducing pamphlets of his in this Lincoln Experimental School operated under the auspices of Columbia University.

Mr. HAYS. By Rockefeller money, is that right?

Mr. SARGENT. I don't know whether he physically printed these pamphlets with Rockefeller money or not.

Mr. HAYS. You say they gave him $100,000 a year to run the school.

Mr. SARGENT. Yes; but I didn't say that Rockefeller paid for the specific printing of the pamphlets. I think what I did say was that Rockefeller money supported the school and a substantial amount of money went into it.

Mr. HAYS. Did I understand you to say Rockefeller himself gave that money?

Mr. SARGENT. No; General Education Board, it says here. My authority on that is Columbia's own pamphlet entitled, "Introducing Teachers College."

It says here, as I was reading, it was Mr. John D. Rockefeller, Jr., who made it possible for Teachers College to attack the problem. The money, it says here, was a subsidy of $100,000 a year for 10 years through International—wait a minute—through International Education Board. That is one of the Rockefeller funds.

Mr. HAYS. Apparently from the way you read it, Mr. John D. Rockefeller, Jr., had something personal to do with it.

Mr. SARGENT. That is what Teachers College says. I didn't say it. I am reading what Teachers College said about their own operation. That is their own statement which I am reading to you literally. The second sentence would seem to indicate that their International Education Board did. In any event, it had the support through some Rockefeller operation of some type. These pamphlets which Prof. Harold Rugg developed at the Lincoln Experimental School subsequently became—were developed into the so-called Rugg social science textbook series.

One of the original pamphlets was called, Building a Science of Society for the Schools.

At this point it is a little bit out of the chronology but in the interest of tying things together all at one point, perhaps I better give you something about what these Rugg social science textbooks turned out to be.

The period during the 1920's until about 1930 was the development period, and then they finally came out in a series of books for the high-school level as I recall. Those books became very controversial nationally, and Professor Rugg, in one of his own statements in a magazine article, claimed as I recall that about 5 million of them had been distributed and put in the American public schools. There was a controversy in the San Francisco City Board of Education regarding these texts arising out of some citizens protest against the material, and the superintendent's recommendation that the books be taken out.

Mr. HAYS. Were you one of the citizens who protested?

Mr. SARGENT. No, sir, I was not.

Mr. HAYS. Weren't you mixed up in that fight?

Mr. SARGENT. I was requested to come in and give evidence which I had, but I did not initiate the proceeding. I did come in and I spoke in opposition to the books, having read them, and I protested the treatment given the Constitution of the United States in particular, and constitutional history.

This is a copy of an official report of the San Francisco Board of Education. The controversy began, as I remember, about May or June of 1952, when there were public hearings. The board decided to appoint a panel of experts, nearly all men of education, to read the books themselves and render a report.

The members of that committte to study the books and report back were Monroe Deutsch, who was then at the University of California, provost, I think, at the university; Glenn E. Hoover, of Mills College, a college for women in the San Francisco area; John L. Horn, I don't recall his academic contact at the time; Lloyd Luckmann, I think he

was at the University of San Francisco; Edgar E. Robinson was professor of history at Stanford University; and Harold R. McKinnon was a member of the San Francisco bar.

Mr. HAYS. Mr. Sargent, did you prepare a bill of grievances relative to these textbooks you are talking about?

Mr. SARGENT. Not with relation to the Rugg books, no. I prepared that very much later. I did prepare it, yes, and it was filed with Congress. I have a copy here. It was filed with Congress about 1949, as I remember. Yes, April 1949 is the notary date on the document.

Mr. HAYS. It was filed with the Senate Labor and Welfare Committee.

Mr. SARGENT. It was originally delivered to the Senate Judiciary Committee and the House Un-American Activities Committee. I think Senator McCarran offered a resolution to take up the investigation and the parliamentarian referred it to the House Committee on Labor and Welfare. It is the Thomas committee. The Thomas committee did nothing about it.

Mr. HAYS. Let me say this to keep the record straight. If Senator McCarran offered a resolution, it could not possibly be referred to a House committee.

Mr. SARGENT. I didn't mean to say the House committee. I meant the Senate committee.

Mr. HAYS. You said the House committee.

Mr. SARGENT. It was inadvertence on my part. The parliamentarian of the Senate ruled that it concerned education, more strictly, than constitutional government and so on, and therefore it belonged in the Thomas committee. Senator Thomas of Utah was in the Senate at the time.

Mr. HAYS. It has laid there rather dusty ever since.

Mr. SARGENT. He sat on it and did nothing about it.

Mr. HAYS. It could not get dusty if he sat on it.

Mr. SARGENT. All right. In any event that document was prepared years later than this matter to which I refer. I was reading from the San Francisco report. I gave the names of the signers.

Mr. HAYS. Let me ask you another question while we are talking about this before we get too far away from it. Did you try to get the House Un-American Activities to go into this?

Mr. SARGENT. I discussed it with them.

Mr. HAYS. They did not want to do it?

Mr. SARGENT. They wanted to stick with the Communist side of the case, yes. They said they wanted to place emphasis on that first.

Mr. HAYS. You say you suggested that they take it up but they didn't do anything about it. I couldn't hear your answer.

Mr. SARGENT. As a matter of fact, they did do something. They started with it. Mr. Wood of Georgia was chairman of the committee at the time and he did—I think they did send out some questionnaires to a few colleges, but they went no further than that.

Mr. HAYS. Did you offer to testify before them?

Mr. SARGENT. I don't recall I was ever asked. It never came to that point, because there was no resolution offered. The House Un-American Activities Committee needs no resolution, I believe.

Mr. HAYS. What I am driving at, and I will be very frank about it, is this: It seems to me you have sort of been itching to get this stuff in print for a long time, and you were not able to get anybody

to let you go ahead with it until you came here. Is that right or wrong? You gave it to this and that committee. You say one sat on it, and the other never took it up, and we are going to let you say it here.

Mr. SARGENT. I have not been running around in any such fashion. It is a matter of public importance and I think I am entitled to present it.

Mr. HAYS. I don't mean to imply that you were running around, but the record shows by your testimony that you tried to get two different committees to take it up, and they didn't.

Mr. SARGENT. The committees considered the matter and there was some preliminary discussion. For policy reasons they decided not to go forward with it at that time.

Mr. HAYS. Okay.

Mr. SARGENT. At that time, period.

Mr. HAYS. Or any subsequent time since.

Mr. SARGENT. I am not in a position to state what various committees may or may not want to do. I am here for the purpose of presenting this matter now. This report, and I will read it in full, is dated March 30, 1943. It is the unanimous report bearing the signatures of all the gentlemen I have named. The chairman of the committee was Dr. Monroe E. Deutsch of the University of California. It is addressed to Mr. Harry I. Christie, president of the San Francisco Board of Education at the city hall, San Francisco.

DEAR MR. CHRISTIE: The committee set up by action of the San Francisco Board of Education to submit a report as to whether or not the Rugg books should be continued as basic textbooks in the junior high schools of the San Francisco Unified School District, begs leave to submit the following report. It would preface its statement of findings with certain preliminary remarks.

The report herewith presented is unanimously approved by all members of the committee; certain members, however, are submitting statements giving supplementary reasons for joining in the recommendations.

Moreover, before submitting its statements the committee wishes to make this declaration; it is most unfortunate that the controversy over these books has become so bitter that an evaluation of the content and contribution of the books has been frequently confused with an evaluation of the character and motives of the persons involved. We have confined our attention to the books.

The committee desires to make clear its own conception of the function it has been asked to perform. Obviously we are not acting as an administrative board; nor are we acting as a group of teachers choosing a textbook or constructing a curriculum. We have been asked to function as a committee in the field of education, and although we have been nominated by six institutions of higher learning, we sign as individuals, as we have conferred as a group of individuals and were asked to give our considered opinion after careful study. One question has concerned us—and upon this we give our answer. Do the books under our examination provide, in accord with a sound and satisfactory conception of education, a fair and balanced presentation of the facts of our past and our present in such a way as to be desirable as required textbooks for students of the junior high school age in the San Francisco schools? The committee finds that in form and style the books are attractive and interesting, and we believe that this is ample explanation of their popularity with students and teachers and many others who have read them. The contemporary world is seen as having no boundaries of interest and the unity of the world is emphasized. We agree with these objectives so effectively stated.

But we question the concept of education on which these textbooks are founded. Of course we agree as to the vital importance of our democracy—in the present as in the past, and in the future, but it does not follow that belief in democracy means acceptance of a method of education which directs the main attention of young students, usually between 12 and 15 years of age, to a discussion of questions and seeing all sides rather than the study of geography and history and

literature. We do not believe in the study of problems as a satisfactory method of education for children of that age.

The unsound basis in teaching is revealed in the overemphasis upon the future and upon change rather than the fact of growth and development as a continuous process in all times. The weight of instruction is placed not upon achievements and accomplishments but upon aspirations and hopes. This concept of teaching is revealed in repeated assertions of the need of rebuilding and recreating. Such an approach is not in accord with the guiding purpose of general education which is to furnish information as a reservoir of fact and to provide basis for growth and development. The pedagogical principles upon which these books are built disregard the fundamental fact that foundations of basic knowledge and skills must be laid before pupils are given the impression they are ready to deal with contemporary problems.

Believing as we do that one of the great objectives of education of young people is the development of a desire to participate in a democracy, we find that these books are unsatisfactory in not providing a conviction of the need of long study and careful thought before arriving at decisions and presuming to take action. These books are built upon the assumption that it is one of the functions of the school, indeed it appears at times to be the chief function, to plan in the classroom, yes, even in the junior high schools, the future of society. From this view we emphatically dissent. Moreover, the books contain a constant emphasis on our national defects. Certainly we should think it a great mistake to picture our Nation as perfect or flawless either in its past or its present, but it is our conviction that these books give a decidedly distorted impression through overstressing weaknesses and injustices. They therefore tend to weaken the student's love for his country, respect for its past, and confidence in its future. Accordingly, to answer the question submitted to us by the board of education, we unanimously recommend that the Rugg books should not be continued as basic textbooks in the San Francisco junior high schools. We likewise recommend that the books to be substituted for them be chosen by the established procedure according to which a committee of teachers submits recommendations as to textbooks. We approve of this procedure in the San Francisco schools and favor its continuance. We feel, however, that the teachers in the schools should call upon scholarly experts in the particular field of study in which textbooks are to be selected for an appraisal of the books from the standpoint of accuracy and perspective.

It is our earnest hope that the choice of textbooks may always be made hereafter through the proper educational procedure. Their selection is certainly a matter to be determined by those who are devoting their lives to education.

There was a supplemental statement here by Glenn E. Hoover as follows:

The controversy over the Rugg books arose primarily because they were denounced as subversive. This charge was made, not by the scholars and teachers who use them, but by individuals and organizations whose normal activities are quite outside of the field of public education; that charge is a serious one for it reflects not only on Professor Rugg, but also on the great university with which he is connected, and the teachers and administrators in the public schools where these books have been used for so many years.

The CHAIRMAN. Mr. Sargent, if you have reached the point, some of the members wish to be on the floor for the convening of the House in connection with the preliminary proceedings of the House, so it would be necessary for us to recess at this time.

Mr. SARGENT. May I read one paragraph and finish this statement and then stop? It will take a moment.

The CHAIRMAN. Yes.

Mr. SARGENT (reading):

I feel it my duty to report the charge that the Rugg books are subversive, in the accepted sense of the word, is, in my opinion, completely without foundation. Although I found what seems to me to be serious defects in them, I am glad to bear witness to the high patriotism of their author and the teachers who without complaint have used them for so long. The patrons of the schools which have adopted these books have the right to be assured on that point.

Respectfully,

GLENN E. HOOVER.

There is another statement I will refer to this afternoon.

Mr. HAYS. I would like the record to show right at this point that despite the fact that you say you could not prepare a statement for the committee, that you have been reading for about 25 minutes from a prepared statement.

Mr. SARGENT. From a document, sir.

The CHAIRMAN. The committee will reconvene at 2 o'clock, if that is agreeable, and then we will run as the business on the floor permits us to run.

(Thereupon, at 11:55 a. m., a recess was taken until 2 p. m. the same day.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m.)

The CHAIRMAN. The committee will come to order, and you may proceed, Mr. Sargent.

Mr. SARGENT. I understand the mikes are not on. I will try to talk a little louder, so that you can hear me.

The CHAIRMAN. You may go ahead.

Mr. SARGENT. At the hour of adjournment, I was discussing the San Francisco report on the Rugg social science text books. I read the majority report. I also read a separate statement by Mr. Glenn E. Hoover. There is a concurring statement by Harold R. McKinnon, of San Francisco. I will not read it at length. It is long. I will read certain excerpts which I think indicate the nature of his thinking and his additional reasons for disapproving the books, because I think those reasons are pertinent to matters contained in your staff report.

These are some of the things which Mr. McKinnon said in concurring in this finding:

> What Professor Rugg is trying to do is to achieve a social reconstruction through education. The end in view is a new social order in which all the aspects of human relationships, including the political and economic, are to be refashioned and rebuilt. The means by which this end is to be accomplished is education.

In presenting these problems, the author is far from neutral.

He discusses natural law and says:

> The lack of an underlying assumption of moral law which is inherent in human nature and which is the norm of good conduct, of happiness, and of socially desirable traits, is evident throughout the texts. Professor Rugg, of course, rejects such an idea of law.

Another comment:

> Nothing is more insistent in the books than the idea of change. From the habit of denying facts and fixed realities, Professor Rugg proceeds to the notion of trial and error in all human affairs. One is never sure one is right. Since everything changes, there is nothing upon which one can build with permanence. Experiment is the rule in social affairs as well as in physical science—experiment in government, in education, in economics, and in family life.

Mr. McKinnon refers to the antireligious bias in the books and says:

> Throughout the books runs an antireligious bias. In some instances, this takes the form of caricaturing religion; for example, by saying "medieval Europeans found life so hard and so unhappy that most of them eagerly turned their thoughts to a dream of heaven."

In his concluding statement, Mr. McKinnon says:

> In the light of the foregoing, should the textbooks of Professor Rugg be continued in the junior high schools of San Francisco? I think clearly they should not. I say this with the realization that such a conclusion must not be asserted except for reasons that are grave and fundamental. No mere incidental error and no characteristic which does not sink deeply into the fundamentals of human nature would suffice for such an adverse recommendation.

He goes on to say:

> America, in spite of all its faults, has achieved something in the history of social and political life which has borne rich fruit and which may bear richer provided we do not lose the thread. But this is the condition: provided we do not lose the thread.
>
> What is that thread? It is the concept upon which our country was founded, that man is a rational being who possesses rights and duties.

Mr. McKinnon quotes the Declaration of Independence, particularly the clause about the fact that men are endowed by their Creator with unalienable rights and it is the Government's duty to sustain them.

He then says:

> The conflicts between Professor Rugg's philosophy and these principles of the Declaration are irreconcilable. Men are created equal only if they are spiritual beings. It is in their spiritual, moral nature that their equality alone can be found.

Finally, he says:

> It is true that social conditions and circumstances change. The point is that the principles themselves do not change, for they are inherent in the nature of man, a nature which does not change. Because Professor Rugg's teachings are contrary to this notion * * * I am compelled to join in the recommendation that his books be discontinued. In placing my recommendation on this ground, I do not imply that I am at variance with my colleagues on the other grounds which they assert. On the contrary, I am in general agreement with them as to those grounds. But I wish to stress the points I have made, because I consider them ultimate and fundamental.

Now, various charges were made before the San Francisco City Board of Education before the rendition of that report. The board adopted the findings of its committee of experts, and the books were eliminated.

I have here a pamphlet used in the presentation before the board, which summarizes the nature of the objections lodged before the board by those protesting. I do not intend to read this at length, but I will merely give you some of the major contentions made by those whose position was sustained in this proceeding.

Complaint was made of the undermining process involved here by implanting a continual expectancy of change in the minds of students of immature age in schools; of the fact that the American way of life has been portrayed as a failure; of the disparaging of the United States Constitution and the motives of the men who framed it.

Mr. HAYS. What are you reading from now?

Mr. SARGENT. From a pamphlet here entitled "Undermining Our Republic," prepared by the Guardians of American Education, Inc., 51 East 42d Street, New York City.

These pamphlets were delivered to the members of the board of education and considered by them in connection with their decision to appoint a committee and later to rule upon the books.

Mr. HAYS. Well, now, if you are going to cite this organization as an authority, I think it would be only fair that we know a little bit

about who they are. I never heard of them before. It is a self-appointed organization, I take it, from the title.

Mr. SARGENT. Yes. I am merely using it, Mr. Hays, for the purpose of enumerating the specific grounds made at that hearing to the board, the kind of protests that were made. I am not offering the pamphlet in detail.

Mr. HAYS. Of course, not being an attorney, I am at somewhat of a disadvantage here, but I have always understood that when you offered anything in evidence, in order for it to have much weight it had to have some standing.

I do not know anything about that pamphlet, but it seems to me up to now it would not have very much weight, unless you can give it some weight.

Mr. SARGENT. I can tell you what the organization is. It is founded by Colonel Rudd of New York City, who, as a citizen, discovered the propaganda in these social science textbooks. One is "Rugg" and the other is "Rudd." The man who protested the books is Mr. Rudd, and the other is like rug on the floor.

This pamphlet contains a detailed study of the material. I am merely using it for my convenience in enumerating the kinds of objections that were made here to the books.

Mr. HAYS. When we get around to some of these things, this may not seem to have very much weight, but on the other hand it is an example of what I mean. Maybe you did not attend, but there was a meeting, and you perhaps know about it, of the Sons of the American Revolution, in Cincinnati in 1953. Right?

Mr. SARGENT. You mean the national congress? I was not there.

Mr. HAYS. Did they have a congress in 1953?

Mr. SARGENT. Yes, they have one every year. That year, I think it was in Cincinnati. I was not present.

Mr. HAYS. Is your foundation Patriotic Education, Inc.?

Mr. SARGENT. No, sir, no connection with it.

Mr. HAYS. Do you know anything about that organization?

Mr. SARGENT. I know some members of the organization created such a corporation. I am not a member of it and have nothing to do with its work.

Mr. HAYS. Does it have any standing at all?

Mr. SARGENT. What do you mean?

Mr. HAYS. I mean is it a reliable organization?

Mr. SARGENT. As far as I know. I know very little about it, except that such an organization was established.

Mr. HAYS. What we are trying to get at: Would it be the kind of an organization you bring in here and cite as saying so and so and expect the committee to give it weight?

Mr. SARGENT. They have no publications which the committee could receive here, so far as I know. It is in no way involved in this present matter.

Mr. HAYS. They had a publication in Cincinnati in which they had a picture of Bishop Oxnam and a hammer and sickle, denouncing him and calling him Communist. I just wonder if that is the kind of organization cited. I am a little concerned.

Mr. SARGENT. We are just talking about the organization known as Guardians of American Education, Inc., here, and it has done nothing

like that. I don't know very much about the work of the other organization.

Mr. HAYS. What qualifications does Mr. Rudd have?

Mr. SARGENT. He has made a very intensive study of the propaganda and history of this movement. He was requested by the Senate Internal Security Committee to testify before them as an expert on some educational matters.

Mr. HAYS. That is interesting. How do you get to be an expert on these things?

Mr. SARGENT. I wouldn't know. The gentlemen here presumed I had something to tell them, and I presume I am an expert.

Mr. HAYS. I was thinking of Mr. Rudd. What about him?

Mr. SARGENT. He has studied this subject for years and knows the literature and was of great assistance to me in becoming acquainted with it. I think if you read this book you will discover that he has a great deal of basic knowledge. This pamphlet shows that he studied the history of the subversive movement as it applies particularly to these books. But I am using this only in an enumeration of the grounds made there, and this pamphlet was delivered to the San Francisco Board of Education in connection with its deliberations. I gave them these pamphlets. I happened to have them at the time.

I know of no derogatory fact about the Guardians of American Education, Inc., at any time since I have been acquainted with their work, commencing about 1942, and running down to the present time. In my opinion they are entirely reliable.

Mr. HAYS. I was not meaning to imply that there was anything derogatory. I am trying to get the idea across that I don't know anything about them, and I just wonder how they get in here.

Mr. SARGENT. They have been an active organization. Their main project is opposing the use of these books in the schools which the San Francisco Board of Education found unfit and condemned. That has been their major activity, so far as I know.

Mr. HAYS. Did any other school board anywhere condemn these books?

Mr. SARGENT. I think they have been condemned in many places; yes.

Mr. HAYS. Do you know of any specifically?

Mr. SARGENT. I am not acquainted with all the record. I can find out. I know they have been protested all over the country. I don't have a documentation on where and how many. They were eliminated throughout the State of California, as a result of this finding of the San Francisco board. There is a long record of protest on those books.

Another exception taken to these books was the technique of employing a school system as an agency to build a new social order in a classroom. They cited Professor Rugg's intent to use the schools for his particular type of propaganda.

There are many other comments here, but that was the substance of it, and the decision I have given you.

Now, one of the next significant documents in tracing this matter is a pamphlet known as Dare the School Build a New Social Order? I have here a typewritten copy of that document. It is a book which is out of print. The Library of Congress has an original. My type-

written copy is a prepared copy, however, and I am working from that. The author of the pamphlet is George S. Counts, who was at this time and may still be a professor of education at Teachers College in Columbia University, New York City.

The pamphlet was published—the copyright notice is 1932—by John Day Co., New York.

The foreword to the pamphlet, signed by George S. Counts, bears the date April 15, 1932, and says that the pamphlet is based upon three papers read at national educational meetings in February of that year, namely, the year 1932; that one was read before the Progressive Education Association in Baltimore, a second before a Division of the Department of Superintendents in Washington, and a third before the National Council of Education, also in Washington.

It says the titles of these pamphlets were as follows: "Dare Progressive Education be Progressive?"; "Education Through Indoctrination"; and "Freedom, Culture, Social Planning, and Leadership."

It states that because of the many requests received for these papers, they have now been combined, and issued in pamphlet form. And this pamphlet I have here is the composite of those particular papers, apparently.

Mr. HAYS. They have a great deal of interest, you said?

Mr. SARGENT. Profound interest; yes.

Mr. HAYS. So much of an influence that it is now in print?

Mr. SARGENT. No, it had an influence at the time it was picked up. And you look through the writings of the various educational associations and you find this philosophy planted at that time has taken hold.

Mr. HAYS. Is there anything else wrong with Dr. Counts' philosophy? He wrote a lot of books. Is that the only one you find fault with?

Mr. SARGENT. I think there are a good many that you can question, and I am going to refer to some of those in his activities as I go along. I am giving you considerable detail on Professor Counts. He is the man responsible probably more than any other for subverting the public school system, his philosophy, his political activities. That is directly sustained by his writings, which I will give to you.

Now, this pamphlet here includes the following statements:

> We are convinced that education is the one unfailing remedy for every ill to which man is subject, whether it be vice, crime, war, poverty, riches, injustice, racketeering, political corruption, race hatred, class conflict, or just plain ordinary sin. We even speak glibly and often about the general reconstruction of society through the school. We cling to this faith in spite of the fact that the very period in which our troubles have multiplied so rapidly has witnessed an unprecedented expansion in organized education.

He says:

> If an educational movement or any other movement calls itself progressive, it must have orientation. It must possess direction. The word itself implies moving forward, and moving forward can have little meaning in the absence of clearly defined purposes.

He says:

> The weakness of progressive education thus lies in the fact that it has elaborated no theory of social welfare unless it be that of anarchy or extreme individualism.

He says:

If progressive education is to be genuinely progressive, it must emancipate itself from the influence of this class—

namely, the conservative class—

facing squarely every social issue, coming to grips with life in all of its stark reality, establish an organic relation with the community * * * fashion a compelling and challenging vision of human destiny, and become less frightened than it is today of the bogies of imposition and indoctrination. This brings us to the most crucial question in education, the question of the nature and extent of the influence which the school should exercise over the development of the child.

He says among other things:

It is a fallacy that the school shall be impartial in its emphasis and that no bias should be given to instruction.

He says:

My thesis is that complete impartiality is utterly impossible.

Mr. HAYS. Do you disagree with that?

Mr. SARGENT. With that?

Mr. HAYS. Yes.

Mr. SARGENT. No, I think at the proper grade level it is not impossible at all. I think at the lower grade level it is your duty to teach positive emphasis in support of established principles in our Constitution.

Mr. HAYS. The only difference between this fellow and you is that you want to teach your principle and he wants to teach his.

Mr. SARGENT. No, I want to teach the law of the United States.

The law of the United States is the Declaration of Independence, the statute of July 4, 1776, and the Constitution, and the fundamentals upon which our country is based.

Mr. HAYS. Now, I can make a better demagogic speech about the Declaration of Independence than you can, and I will bet you on it.

Mr. SARGENT. That is not a demagogic speech. That is in the Declaration.

Mr. HAYS. And we all revere the Declaration of Independence, and let's just admit that and admit that we do. But you know something? When you teach the Declaration of Independence, it is a limited document, and you can't spend a 12-year curriculum on it. You have to teach a little arithmetic and some reading. I gather that you want to dismiss social science from the curriculum, and maybe we could agree to do that. But you cannot subvert historical facts.

I am not expert, and I want that in the record, but I will bet you that I know more about teaching than you do. And you sit here and tell us what has happened and what hasn't happened and what you want to happen, and you disagree with this fellow and that fellow.

Well, you have got that privilege, but that does not make them bad people just because you disagree with them.

Mr. SARGENT. Harold Rugg has distorted his historical facts.

Mr. HAYS. We are talking about George Counts.

Mr. SARGENT. I would like to talk about George Counts, and I would like to go on with it.

Mr. HAYS. Is he still living?

Mr. SARGENT. I don't know. I presume so. I think he is. He may still be at Columbia. I don't know.

Mr. HAYS. If he is living, we ought to bring him in.

Mr. SARGENT. I think it would be an excellent idea. I want to be present when you do.

He goes on to state in his pamphlet that—

> Professor Dewey, in the book referred to, Democracy and Education, says, "The school should provide a purified environment for the child," with this view I would certainly agree. Probably no person reared in our society would favor the study of pornography in the schools.

Then he says:

> I am sure, however, this means stacking the cards in favor of the particular system of value which we may happen to possess.

Then he goes on here further. He says:

> Progressive education wishes to build a new world but refuses to be held accountable for the kind of world it builds.

He says:

> In my judgment the school should know what it is doing insofar as it is humanly possible and accept responsibility for its acts.

There was further agitation by Professor Counts at about this period, resulting in the issuance of a pamphlet known as A Call to the Teachers of the Nation that was issued in 1933 by a committee of the Progressive Education Association, of which George S. Counts was the chairman. It was published by John Day Co. of New York. The committee consisted of George S. Counts, chairman, Merle E. Curt, John S. Gambs, Sidney Hook, Jesse H. Newlan, Willard W. Beatty, Charles L. S. Easton, Goodwin Watson, and Frederick Redefer.

I have here a quotation from that pamphlet—it is in the Library of Congress—which contains the net conclusion in this particular report.

It says—and I quote:

> The progressive-minded teachers of the country must unite in a powerful organization militantly devoted to the building of a better social order * * *. In the defense of its members against the ignorance of the masses and the malevolence of the privileged, such an organization would have to be equipped with the material resources, the talent, the legal talent, and the trained intelligence to wage successful war in the press, the courts, and the legislative chambers of the Nation. To serve the teaching profession in this way should be one of the major purposes of the Progressive Education Association.

Gentlemen, if that is not lobbying, I do not understand the meaning of that term.

Mrs. PFOST. Mr. Sargent, are these books and accounts that you are giving us material that has been paid for by the foundations through donations?

Mr. SARGENT. I have no idea. They represent the philosophy of these people, and I am connecting this up by showing that the people who did it had contact with institutions enjoying foundation support.

Mr. HAYS. You are not connecting anything up. Let me say to you that this investigation has to do with foundations.

Now, you can disagree with Mr. Counts' philosophy or you can not disagree with it. I do not care whether you do or do not. I do not know enough about it to take a position. So it is lobbying. If I accept your assertion there at face value, is there anything wrong with this fellow lobbying? What are you doing? What have you been doing?

You have been doing a lot of lobbying over the years.

Mr. SARGENT. I am not lobbying. I am here at your request under subpena.

Mr. HAYS. You are not here at my request.

Mr. SARGENT. I am sorry if I am unwelcome.

Mr. HAYS. You are not unwelcome. Right here would be a good place for this, Mr. Chairman. I had a phone call last night, just to show you what this hearing is attracting, from somebody, some woman. She said, "I am doing a sequel to the Kinsey report, and I was wondering if I couldn't come before your committee."

I said, "You are doing a sequel to the Kinsey report?"

She said, "Well, it wouldn't be named as that, but that is what it would really be. And had I been able to have gotten out mine in the beginning, the Kinsey report would have been practically useless."

Now, I could go ahead and read this, but that gives you an indication of the kind of people, I guess she wants to come in and testify. She went on to say, "I read in your hearing that Carnegie gave Kinsey some money. Do you think I could get some?" She said Mr. Dodd said that, and I said, "Mr. Dodd is closer to Carnegie than I am. Why don't you call him. I will be glad to give you his phone number."

That is how I had to get rid of her. I just offer that as an indication of what we can get into here and maybe what are are already into.

Mr. WORMSER. Mr. Chairman, I think for Mrs. Pfost's benefit I might note that the Progressive Education Association is a tax-free organization, and it in turn has received very substantial grants from other foundations. That will come out later.

Mr. HAYS. But, Mr. Wormser, as I get the connection here, all I see in connection with that here is that Dr. Counts said something favorable about it. But the witness himself says that he has no evidence that the foundations gave any money to publish this pamphlet. And certainly Dr. Counts or Dr. Anybody else can publish anything they want to, I guess, up to now.

Mr. SARGENT. But they did give money to support the ideas set forth in that pamphlet. That is a fact, and it will be connected up.

Mr. HAYS. You might be getting some concrete evidence. But you have been one who has been very solicitous here about wasting time. You have got all this stuff written out.

Apparently by vote of the committee we can not do anything about it and they are going to let you sit there until kingdom come or doomsdays and read it. So why don't we just put the whole shebang in the record, print it up, and then call you in when we have time to look it over and ask you a few questions about it.

Mr. SARGENT. I would like to go on, sir.

Mr. HAYS. I know you would like to go on. You have been trying to get before a congressional committee for years, and apparently you are enjoying it.

But I think it is a waste of time.

Mr. SARGENT. I think this is quite pertinent. I have here an important document. This is a photostat of the announcement of the summer sessions at Moscow University to be held in the year 1935. The American Advisory Organization on that consisted of George S. Counts and Heber Harper. The total number of names mentioned here is 25. I will read them in the order in which they appear in the pamphlet.

The first two are the ones I have named.

Mr. HAYS. Just a minute. What is that to prove?

Mr. SARGENT. It shows the indoctrination course scheduled for American educators at Moscow University in the summer of 1935 and bears an intimate relation to the propagandizing of the American school system and will tie in with the foundation grants your committee is inquiring into.

Mr. HAYS. That isn't the university at Moscow, Idaho, is it?

Mr. SARGENT. This is printed in English, probably in New York City. The National Education Association issued an advertisement sponsoring this project in March 1935 in their journal.

The CHAIRMAN. Since Mrs. Pfost comes from Idaho, she is particularly interested in this.

Mr. SARGENT. Moscow, not United States of America, let us say.

The National Advisory Council on this summer session of 1935 consisted of:

W. W. Charters, director, Bureau of Educational Research, Ohio State University; Harry Woodburn Chase—

Mr. HAYS. Would you mind going back? I was called out.

Mr. SARGENT. I thought you had left us for the time being.

Mr. HAYS. Oh, no. I would never leave this interesting speech.

Would you start over, there, until we make some sequence about Ohio State University?

Mr. SARGENT. Well, I read the first two names in the first place, Counts and Harper. Then, the National Advisory Council, on the opening page of this thing, consists of the following people:

W. W. Charters, director, Bureau of Educational Research, Ohio State University——

Mr. HAYS. Now, then, right there. This is an advertisement you are reading?

Mr. SARGENT. No; there is a formal official announcement of the course of study listing the actual courses to be given over there, the hours, the credit, and the entire arrangement.

Mr. HAYS. Now, was that ever held?

Mr. SARGENT. Yes; definitely.

Mr. HAYS. That is the same outfit that Joe McCarthy accused Murrow of sponsoring, isn't it?

Mr. SARGENT. I don't know whether he did or not.

Mr. HAYS. You know good and well it is.

Mr. SARGENT. Murrow is on the list, and I have always understood that it was held all right. I have been told that it was held. I think everybody admits it was held.

Mr. HAYS. Ed Murrow says it wasn't. Can you name anybody that says it was? I mean, I am just interested in finding out. If it was held, that is one thing. But if it is a phony you are dragging in here, that is another thing.

Mr. SARGENT. This is no phony. This has been referred to many times, and I have never heard anybody deny the fact that such a session was held. This is an official announcement for the holding of a meeting.

It has a study tour, and the whole thing.

Mr. HAYS. I assume that that is what it is. But the question I am asking is that you say it had a terrific effect in indoctrinating these people. The mere fact that the ad appeared didn't indoctrinate anybody.

Mr. SARGENT. That is an announcement of the meeting.

Mr. HAYS. If they went there and studied, I will go along with you; they probably got indoctrinated. But I am trying to find out from you if it was ever held.

Mr. SARGENT. It is my understanding that definitely it was held in accordance with this announcement here.

Mr. HAYS. That is your understanding. Can you offer any evidence?

Mr. SARGENT. I have discussed the matter with various people in this field, and that is the information given to me, that it was held. Until this moment, I have never heard anybody say it wasn't.

The CHAIRMAN. You might check a little further on that and advise us more definitely.

Mr. HAYS. Now just a minute. If we are going to have more checking, let's leave the whole business until we get it checked. What I would like to know right now: Can we have an agreement to bring in Dr. Counts and let him tell us his story about it? Is he still living, Mr. Wormser?

Mr. WORMSER. I wouldn't know.

Mr. HAYS. He must be getting pretty old now.

Mr. DODD. No; he is in his middle sixties.

Mr. HAYS. I thought he was older than that. I heard his name when I was in the university many years ago.

Mr. SARGENT. This is an official announcement.

Mr. HAYS. Just a minute.

Let us let the committee decide what we are going to do. Don't be too eager.

Can we get an agreement at this time that at an appropriate time, to be decided when the appropriate time is—I will be glad to leave that to the Chair—this can be done.

The CHAIRMAN. I see no objection. Then it will be agreed.

Mr. HAYS. I have more than one motive. I had to read one of his books when I was in college, and I always did want to ask him something.

Mr. SARGENT. The second name was Harry Woodburn Chase, chancellor of New York University; and then

George S. Counts, National Advisory Council, also professor of education, Teachers College, Columbia University;

John Dewey, professor emeritus of philosophy, Columbia University;

Stephen Duggan, director, Institute of International Education;

Hallie F. Flanagan, professor of English, Vassar College;

Frank P. Graham, president, University of North Carolina;

Robert M. Hutchins, president, University of Chicago;

Charles H. Judd, dean, School of Education, University of Chicago;

I. L. Kandel, professor of education, Teachers College, Columbia University;

Robert L. Kelly, secretary, Association of American Colleges;

John A. Kingsbury, secretary, Milbank Memorial Fund;

Susan M. Kingsbury, professor of social economy and social research, Bryn Mawr College;

Paul Klapper, dean, School of Education, College of the City of New York;

Charles R. Mann, director, American Council on Education;
Edward R. Murrow, assistant director, Institute of International Education;
William Allan Neilson——

Mr. HAYS. May I interrupt you right there?

That is the one we are talking about. And Mr. Murrow says it wasn't held.

Mr. SARGENT. It may or may not be what he is talking about. I don't know. This particular thing is an official announcement and a detailed course listing. There may be something else about Murrow. I don't know.

Mr. HAYS. Mr. Chairman, I must object to this kind of stuff. I mean, even Joe McCarthy had that thing repudiated, and I don't see why we should let someone come in here and rehash that kind of stuff.

I mean, this is exactly the kind of thing that Joe accused Murrow of, and it has very definitely been established that the thing was never held. Now, if it were held, that is material, and if those men went there and became indoctrinated, I would like you to know that I would be one of the first to want to bring them in and cross-examine them, but to let an obscure person who has no standing in the educational field come in here and malign people like this—I have to object to this.

Mr. SARGENT. It was not established that this was not held, and I think it will be completely established that it was. And I do not know whether this is the document about Murrow——

Mr. HAYS. You are under oath, but you keep saying you think it was held, and it hasn't been clearly established.

Now, do you know whether it was or whether it was not?

Mr. SARGENT. I was told positively by Mr. Hunter, a Hearst correspondent in Washington, D. C., that this meeting was held, and the photostat I have in my hand was given to me by him.

Mr. HAYS. Well, now, then, in other words, he knows more about it than you?

Mr. SARGENT. He is in the newspaper business, and he has contacts, and he gave me this particular thing. I have also discussed this elsewhere. I have never heard it suggested by anybody that this was not held.

Mr. HAYS. You apparently don't read the papers much or look at television, because it is pretty generally understood. It has been more than suggested. It has been definitely said.

Mr. SARGENT. Murrow has done a lot of things. I am not talking about Murrow here. He is one of the names on the list, and my reason for bringing it up has nothing whatever to do with Mr. Murrow. It has to do with the educational picture your committee is considering.

Mr. HAYS. Then why are you reading all these names?

Mr. SARGENT. To show that a very large group connected with American educational affairs at the time participated in the course of study offered by this document here, enumerating what kind of a course of study it was, and the arrangement.

Mr. HAYS. Now, Mr. Chairman, he is again saying they participated. They say they didn't. Can we again get an agreement, to subpena Mr. Murrow and ask him about it?

The CHAIRMAN. Well, we would be glad to subpena someone. I think we ought to have a judgment on which ones of the names mentioned.

Mr. HAYS. I nominate Mr. Murrow, because I think if it is a lie he is probably the fellow that can nail it to the cross about as quickly as anyone that has been mentioned.

The CHAIRMAN. But it would seem to me this would have some bearing, regardless of whether the summer school was actually held; that the announcement, the program, the course of study, that was agreed upon in anticipation of the school being held, has an important relationship regardless of whether the actual course of study was held. Whether it was held or was not, I have no information.

Mr. HAYS. I am inclined to agree with you, Mr. Chairman, that it would have a great deal of importance, even the fact that such a course was considered and the ad was published. But this witness keeps inferring, and bringing in names, and saying, "I know that it was held," or "I have every reason to believe it was held." And the most prominent name perhaps that he has mentioned has been Edward R. Murrow. And I don't think I am being unreasonable if I ask that the committee agree at this moment to subpena Mr. Murrow and merely ask him, "Was or was not this held" and then if you have any other questions you want to ask him, that is good enough. That is all I want to do.

Mr. SARGENT. There is some other information, Mr. Hays.

This pamphlet states on its face that sessions of this type were held in Moscow in 1933 and 1934, and it describes both of those sessions and indicates that the present meeting I mention here had its origin out of those meetings.

So there is a direct statement here that two other sessions have been held previously.

Mr. HAYS. I don't know what you are reading from.

Mr. SARGENT. Well, I will come to that. I am trying to read this chronologically, in order to have no question about my making selections or editing. I am beginning at the start, and I am going through it.

Mr. WORMSER. Mr. Chairman, may I make a suggestion? I would be glad to have the staff ascertain whether it was held or not. If it was not, of course, we would be perfectly delighted to concede it, Mr. Hays.

Mr. HAYS. I would like to have somebody under oath testify whether it was held or not.

Mr. WORMSER. Is that necessary?

Mr. HAYS. I think it is.

The CHAIRMAN. At the same time, I think it would be well for the staff to ascertain the periods at which the schools were held.

The committee will stand in recess.

(Short recess.)

The CHAIRMAN. The committee will be in order.

Mr. HAYS. Mr. Chairman, I would like to state right now that I have just been in touch with New York and have hurriedly checked the Ed Murrow statement, and he states positively and definitely—he did on television—that this thing was never held; that the Soviet Government canceled it; that he personally did not go to Europe that summer, or to Russia; that several members of this group didn't go

to Europe. Some of them did go on a tour of Western Europe, but none of them attended any such course.

Now, as I say, that was a hurried checking, and I would like to be able to call somebody in who can do more than give hearsay. You cannot admit hearsay evidence in a court, and that is all that this is.

The CHAIRMAN. It has been agreed upon that some person connected with the organization will be called, that can give definite testimony. But if you will bear with the Chair a moment, what seems to be very important to my mind is the reference to the session having been held in 1933 and 1934, which has the same implication as the one that was proposed for 1935. And I, myself, am prepared to believe that there is a question about whether that was actually held. But I think there is significance so far as this hearing is concerned to the fact that it was announced, that the course of study was made up, and certain educators and other interested persons here participated in the preliminary activities to the holding of the summer school. Whether it was actually held, I agree is pertinent, but I think we can definitely establish that fact, and some appropriate official will be summoned to give that information.

Mr. HAYS. The whole point of my objection is that again we have evidence of this business of name dropping which, if left unchallenged, would give the general impression to the public at large that Ed Murrow and all these other names mentioned were a bunch of Communist sympathizers who were trying to actively promote communism in the United States.

Now, maybe some of the names mentioned are. I don't know. But I did want the record to show that this is the same old tripe that we had a big hassle over on television a few weeks ago, and I thought then it was pretty definitely disposed of.

If we have anything here this gentleman can present that has some bearing on the matter, that is one thing, but to continue this character assassination and so on and so forth by inference and by saying, "Well, somebody told me so,"—that is something else again.

I think we will have to give these people, if there is any awareness about this a chance to come in.

The CHAIRMAN. Everybody who wants to come in will be given an opportunity at the right time. But, again, it is my own feeling that regardless of whether the summer school of 1935 was held, the program from which Mr. Sargent is reading has an important bearing on the subject. But I agree with you with reference to what you have said.

Mr. HAYS. Now, Mr. Sargent, right there, would you mind if I took a look at that list? Not because I doubt what you are reading, but I cannot keep all those names in my mind, and I would like to look at it to see if there are any other names I recognize besides Ed. Murrow's.

I do not know any of them personally, not one of them.

Mr. SARGENT. Certainly.

Mr. HAYS. Here is an example of what we are dealing with. It says:

The summer session originated as a result of an experiment conducted during the summer of 1933 by a group of American educators. The American summer school in Russia was organized to offer due courses dealing with "experimental educational programs of the Soviet Union" and "institutional changes in the Soviet Union."

Now, I can understand why the Russian Government canceled this thing. Of course, they didn't want anybody to find out what was going on. That would be one viewpoint of it, wouldn't it? They didn't want any one from America going back there after finding out what they were doing? And I am not surprised that they did cancel it.

The CHAIRMAN. I was going to ask Mr. Sargent if he would leave that with the committee, again not to be printed but as part of the record?

Mr. SARGENT. Yes, I will. There is a copy which was intended for your use.

The CHAIRMAN. Thank you.

Mr. SARGENT. Two things are apparent on the face of this document. One is that the group of persons I named here did apparently allow their names to be used in the publication of a pamphlet containing an offering of the program set forth in the document.

Secondly, the March 1935 issue contains the same panel of names here, a picture of Red Square in Moscow, and some detail bringing the meeting to the attention of people in the educational profession. Those things we know.

The exact fact, whether it was held later or canceled, is not within my personal knowledge, and I, therefore, offer no testimony.

Mr. HAYS. Well, Mr. Sargent, would you say anyone who had ever been behind the Iron Curtain was automatically suspect?

Mr. SARGENT. I didn't say that. What has that to do with this? Am I calling these people Reds? I didn't say that, either.

Mr. HAYS. Not in so many words, but you are certainly trying to infer that they are.

Mr. SARGENT. I am saying that was the educational thinking at the time, sir, and that is important background material in reviewing what this committee is supposed to determine, that the thinking has gone to a point where it was seriously considered to be a worthwhile project to do the things which I am referring to here, reading out of this pamphlet. That is an entirely different thing.

Mr. HAYS. Did you read the part of the pamphlet I read?

Mr. SARGENT. Yes, and I also read something at the end that you did not read.

Mr. HAYS. You have had, I don't know how long, to look at this pamphlet. I had perhaps 2 minutes. But it seemed to me I picked up a pretty significant statement there in the 2 minutes.

Mr. SARGENT. There are some other very significant statements.

Mr. HAYS. I would like to have time to study the whole thing. Maybe I will agree with you.

Mr. SARGENT. I was reading the names here. The remaining list of names is William Allan Neilson, president, Smith College.

Howard W. Odum, professor of sociology and director, school of public welfare, University of North Carolina.

William F. Russell, dean, Teachers College, Columbia University.

H. W. Tyler, general secretary, American Association of University Professors.

Ernest H. Wilkins, president, Oberlin College.

John W. Withers, dean, School of Education, New York University.

Thomas Woody, professor of history of education, University of Pennsylvania.

Harry W. Zorbaugh, director, clinic for the social adjustment of gifted children, New York University.

The next page says:

The tremendous progress of the Soviet Union in the cultural field creates for Americans an unequal observation ground for education, sociology, and the social sciences. The Soviet Union presents a unique opportunity for the study of the processes of cultural change. The first and second 5-year plans, by creating the foundations of a planned economy, have brought about a complete reconstruction in the social attitudes and behavior of the Russian people.

It says:

The Soviet Union possesses the most progressive system of public education, extensively making use of the best achievements of international pedagogy.

The CHAIRMAN. This is all in the announcement?

Mr. SARGENT. Yes. All in the announcement. I am getting representative samples out of the document, and I am giving you the document.

Under "Purpose," on page 4, it says that this summer session is open to all academically qualified foreigners who are interested in the cultural and educational aspects of life in the Soviet Union; that the director of the Moscow University summer session is a Soviet educator.

The summer session is officially an organizational part of the Moscow State University.

In order to insure close cooperation with American educational institutions, and with students and educators in the United States, an advisory relationship was established in 1933 with the Institute of International Education.

I might comment again here, as I showed before: As to the Rockefeller Foundation, Rockefeller in some form was a contributor to that international educational institute. The Teachers College pamphlet, Introducing Teachers College, so states.

Mr. HAYS. Is that Rockefeller, junior, or the foundation?

Mr. SARGENT. I don't know. I read you the excerpt before. It read, the Rockefellers in some form contributed, at least, to that international educational institute. The writings of George Counts show that he was a director of the Institute of International Education. That appears in a number of his writings, including one entitled "Driving a Ford Across Soviet Russia," or some similar title, published about 1929.

Now, going on with this document here:

At the same time, a national advisory council of prominent American educators was formed by Prof. Stephen Duggan to assist the Institute of International Education in its advisory capacity. To facilitate still closer rapproachement, each year several American educators are invited to Moscow as resident advisers to the summer session. Dr. George S. Counts and Dr. Heber Harper, professors of education, Teachers College, Columbia University, will act as advisers during the summer session of 1935.

The Moscow University summer session is sponsored in the Soviet Union by the Peoples' Commissariat of Education of the Russian Socialist Federated Soviet Republic; by VOKS, the All-Union Society for Cultural Relations with Foreign Countries; and by Intourist, the state travel company of the U. S. S. R. Intourist, through its educational department will supply information to persons interested.

The cover I have here shows that this is a document of, it says, World Tourists, Inc. The Intourist label, I think, appears here later.

No, I guess I am mistaken on that point.

In the statement under "Origin," on page 5, it says:

The summer session originated as the result of an experiment conducted during the summer of 1933 by a group of American educators. The American summer school in Russia was organized in 1933 to offer two courses.

Mr. HAYS. Are you going to read that whole document?

Mr. SARGENT. No, just excerpts.

Mr. HAYS. Why don't we just, by unanimous consent, put the whole thing in the record, Mr. Chairman?

Mr. SARGENT. Well, I would like to excerpt briefly here.

Mr. HAYS. You seem to like to read. But I would rather read it directly, if it is all right. It would save a litle time.

Mr. SARGENT. I want to review the course of study here, the different courses studied. There is one in art and literature, 32 hours; 2 semester units.

Mr. HAYS. Now, wait a minute. Just a minute.

The CHAIRMAN. Is there any objection to inserting it; instead of filing it as a document, having it printed in the record at the appropriate point in connection with your testimony?

Mr. SARGENT. You mean printing it in full?

The CHAIRMAN. Printing it in full.

Mr. SARGENT. Well, perhaps not.

I would just like to say a few words about the nature of the courses.

Mr. HAYS. You can say whatever you like. The only thing I am interested in: If you are going to read the whole thing, let's just put it in and we can have your comment.

The CHAIRMAN. Without objection, it will be printed as part of the record, Mr. Reporter.

(The document referred to follows:)

[Flyleaf]

For Travel Information Apply to

WORLD TOURISTS, INC.

175 Fifth Avenue, New York City

(Printed in U. S. A.)

MOSCOW UNIVERSITY

SUMMER SESSION

(Anglo-American Section)

American Advisory Organization

INSTITUTE OF INTERNATIONAL EDUCATION, INC.

Advisors: George S. Counts and Heber Harper.

NATIONAL ADVISORY COUNCIL

W. W. Charters, director, Bureau of Educational Research, Ohio State University.

Harry Woodburn Chase, chancellor of New York University.

George S. Counts, professor of education, Teachers College, Columbia University.

John Dewey, professor emeritus of philosophy, Columbia University.

Stephen Duggan, director, Institute of International Education.

Hallie F. Flanagan, professor of English, Vassar College.
Frank P. Graham, president, University of North Carolina.
Robert M. Hutchins, president, University of Chicago.
Charles H. Judd, dean, School of Education, University of Chicago.
I. L. Kandel, professor of education, Teachers College, Columbia University.
Robert L. Kelly, secretary, Association of American Colleges.
John A. Kingsbury, secretary, Milbank Memorial Fund.
Susan M. Kingbury, professor of social economy and social research, Bryn Mawr College.
Paul Klapper, dean, School of Education, College of the City of New York.
Charles R. Mann, director, American Council on Education.
Edward R. Murrow, assistant director, Institute of International Education.
William Allan Neilson, president, Smith College.
Howard W. Odum, professor of sociology and director, School of Public Welfare, University of North Carolina.
William F. Russell, dean, Teachers College, Columbia University.
H. W. Tyler, general secretary, American Association of University Professors.
Ernest H. Wilkins, president, Oberlin College.
John W. Withers, dean, School of Education, New York University.
Thomas Woody, professor of history of education, University of Pennsylvania.
Harvey W. Zorbaugh, director, Clinic for the Social Adjustment of Gifted Children, New York University.

The tremendous progress of the Soviet Union in the cultural field creates for Americans an unequalled observation ground for education, psychology, and the social sciences. The Soviet Union presents a unique opportunity for the study of the processes of cultural change. The first and second Five Year Plans, by creating the foundations of a planned national economy, have brought about a complete reconstruction in the social attitudes and behavior of the Russion people.

From a backward and illiterate country, the U. S. S. R. has been transformed into a modern industrial nation. Illiteracy has been almost abolished. The Soviet Union possesses the most progressive system of public education, extensively making use of the best achievements of international pedagogy. Soviet policy in social welfare, the care of mothers and children, the re-education and re-direction of lawless elements, and in other fields, presents a provocative challenge to students on all levels.

PURPOSE

Moscow University summer session conducts an Anglo-American section, open to all academically qualified foreigners who are interested in the cultural and educational aspects of life in the Soviet Union. Instruction is in the English language, by an all-Soviet faculty of professors and specialists. The State University of Moscow certifies academic credit to those foreign students meeting the requirements of the university and completing a course of study in its Anglo-American section. The director of the Moscow University summer session is a Soviet educator. The summer session is officially an organizational part of the Moscow State University.

In order to insure close cooperation with American educational institutions, and with students and educators in the United States, an advisory relationship was established in 1933 with the Institute of International Education. At the same time, a National Advisory Council of prominent American educators was formed by Prof. Stephen Duggan to assist the Institute of International Education in its advisory capacity. To facilitate still closer rapprochment, each year several American educators are invited to Moscow as resident advisers to the summer session. Dr. George S. Counts and Dr. Heber Harper, professors of education, Teachers' College, Columbia University, will act as advisers during the summer session of 1935.

The Moscow University summer session is sponsored in the Soviet Union by the Peoples' Commissariat of Education of the Russian Socialist Federated Soviet Republic; by VOKS, the All-Union Society for Cultural Relations with Foreign Countries; and by INTOURIST, the State Travel Company of the U. S. R. R. Intourist, through its Educational Department, will supply information to persons interested.

Moscow University will offer, in its Anglo-American section, during the summer of 1935, a variety of courses to serve as a means of furthering cultural contacts between American and Russian teachers and students. The summer session

functions with the purpose of providing foreign visitors to the Soviet Union with the academic facilities and programs necessary for serious study and research. However, the purpose of the summer session is primarily that of assisting foreigners in a survey and understanding of the various phases of contemporary life in the Soviet Union.

ORIGIN

The summer session originated as the result of an experiment conducted during the summer of 1933 by a group of American educators. The "American Summer School in Russia" was organized in 1933 to offer two courses dealing with "Experimental Educational Programs of the Soviet Union" and "Institutional Changes in the Soviet Union." These two courses were conducted in Moscow in an experimental fashion with a group of twenty-five teachers and students of education.

At the second summer session in 1934, thirteen courses were offered in five major fields of art and literature, sociology, psychology, education and research. The staff was composed of twenty-two professors and academic assistants. Two hundred and twelve students attended the 1934 session. Among them were undergraduates, teachers, principals, professors, psychologists, social workers, physicians, nurses and artists.

Basing their judgment upon the undeniable success of these ventures, the Soviet educational authorities organized at the University of Moscow, an Anglo-American section offering full and regular summer instruction in English. The students and professors of the 1933 and 1934 sessions approved the academic advantages of the plan, which enabled the student to travel during his vacation period and at the same time to further his own professional experience. It is a plan that has the full support of the foremost educators and scientists of the Soviet Union.

The directors of the summer school discovered that while American educators displayed great interest in Soviet education, it was evident that outside of the Soviet Union there existed no profound knowledge of actual conditions in the Soviet school world. These considerations, coupled with the ever present Russian eagerness for close cultural contact with Americans, are the primary reasons for the continuation of the plan.

THE PLAN OF THE SUMMER SESSION

Moscow University summer session offers the student an opportunity to combine summer vacation with study and European travel at very economical rates. Special rates for maintenance in the Soviet Union are available only to students, teachers or social workers who attend the summer session.

ACADEMIC PROGRAM

The Anglo-American section of the Moscow University summer session offers a wide choice of subjects and courses. The courses offered during the 1935 session, which begins on July 19th in Moscow, are listed below under special group headings.

ART AND LITERATURE

Arts in the U. S. S. R.—30 hours, 2 semester units

(Requires minimum of thirty additional hours observation and field work. Open to all students.)

A discussion of contemporary painting, sculpture, architecture, music, theater, and the dance in the Soviet Union. The course will offer the student a concept of the relation of art to the building of the new Soviet society. Topics to be discussed will include the features of socialist realism in art; the social status of artists; the economic organization enabling creative work; and the role of the arts in the program of popular education.

Observation and field work will be scheduled in gallaries, studios, theatres for children and adults, research institutes, club houses for artists and other institutions for the development of art activities.

Literature of Russia and the Soviet Union—30 hours, 2 semester units

(Requires a minimum of thirty adidtional hours of library work. Open to all students.)

The course will present a prief survey of pre-revolutionary Russia literature and the effects of the old writers upon the new. There will be included a description of the historical stages of Soviet literature; the present school of socialist

realism; the work and influence of such writers as Gorski and others; the themes of contemporary Soviet literature; and the social role of the Soivet writer in the program for the building of socialism.

INSTITUTIONAL CHANGES AND SOCIAL BACKGROUNDS OF SOVIET SOCIETY

Principles of the Collective and Socialist Society—30 hours, 2 semester units

(The course, or is equivalent, prerequesite for all students. Students may request exemption when registering.)

An elementary course, presenting and describing the basic ideas and institutions of Soviet society. Beginning with a brief historical account, the course will present in simple terms the theory and practice of socialist construction. Among the topics included in the course are: the theories underlying the Soviet State; the organization of the government and the Soviet economy; the program of educational and cultural advance; the relation of the individual to the family and to other social groups; the question of the village and the collectivization of agriculture; and the solution of the problems of national minorities. The course is intended as a general survey of Soviet life.

Justice and the Correctional Policy of the S. U.—30 hours, 2 semester units

(Requires 15 additional hours of observation. Open to all students.)

The course will describe the Soviet system of jurisprudence and the administration of justice. There will be a review of the major theories of criminology as well as the Marxian point of view towards the problem of crime. It will then specifically deal with crime and its eradication in the Soviet Union. Programs for the education of delinquents (children and adolescents) and for the reclamation of criminals will be presented. In connection with this course, there will be visits of observation to the various institutions concerned with this problem.

Organization of Public Health and Socialized Medicine—30 hours, 2 semester units

(Requires a minimum of fifteen additional hours of observation and field work. Open to all students. Recommended to social workers, physicians and health education specialists.)

The course presents a study of the organization of health and medical services in the U. S. S. R. There will be a description of the organization and programs of hospitals, clinics, rest homes, sanataria and dispensaries in their relationships to factories and farms; medical research and the work of experimental institutes; training of medical workers; care of women and children in factories, schools and on farms; social psychiatry and mental hygiene; physical education and programs for disease prevention; and the organization of professional medicine as a state function.

EDUCATION AND SCIENCE

Survey of Education in the U. S. S. R.—80 hours, 4 semester units

(Requires a minimum of thirty additional hours of library, observation and field work. Open to teachers and students of education.)

This course will describe the philosophy, curricula, and methods of the following divisions of Soviet education:

A.—The Unified Polytechnical School and Its Pre-school Foundations: The polytechnical school includes elementary and secondary education. The course will begin with an examination of Soviet pre-school institutions.

B—Vocational and Higher Education: The course will present the Soviet program for the training of workers of all grades and in all fields; it will include a description of such institutions as factory and mill schools, workers' schools (rabfacs), technicums, higher technical schools, pedagogical institutes, medical schools, institutes of Soviet law, art universities, Communist universities and universities proper. Subjects of special interest will be the composition of the student body, the system of maintenance stipends for students, the problems of control and administration, and the relation of vocational and professional education to the planned economy.

C—Extra School and Adult Education Agencies: The course will deal with those educational agencies which reach children as well as adults—libraries, reading rooms, evening and correspondence courses, the press, book stores, clubs, museums, galleries, travel and excursions, radio, post and telegraph, cinema and theatre, the activities of popular societies, etc.

Science and Technic in the U. S. S. R.—60 hours, 4 semester units

(Requires 15 additional hours of library work. Open to all students.)

The course will study the relation of social planning to scientific research in the Soviet Union. The course will include a description of the early types of planning under military Communism; the plan formulated by Lenin for the electrification of the country; the development of the State Planning Commission from its founding in 1921; the structure and function of the system of planning organizations, and the actual methods utilized in the preparation and execution of the first and second five-year plans. The student will be given an outline of the Marxian view of the role of science in socialistic society, and an account of the coordinated development of the Soviet network of scientific research institutes. Soviet development in the fields of social and physical sciences will be studied. The course will conclude with a summary of the present status of planning and science in the Soviet Union.

Survey of Psychological Research—30 hours, 2 semester units

(Requires minimum of fifteen additional hours of library, laboratory or observation work. Registration open only to advanced students of psychology.)

This course presents an advanced discussion of the technical and specialized phases of experimental psychology in the Soviet Union. Such topics as the following will be considered: the status of psychology in Russia prior to the Revolution of 1917; the theories of reflexology and conditioning (Pavlov and Bechterov); trends in contemporary psychological research in the U. S. S. R.; Soviet advance in applied psychology and psychotechnics; psychology and industrial rationalization; and the relation of Marxism-Leninism to psychology.

HISTORY, ECONOMICS AND PHILOSOPHY

History of the Soviet Union—60 hours, 4 semester units

(Requires a minimum of thirty additional hours of library work. Open to all students.)

This course opens with a study of prerevolutionary Russian history. The course will continue with a study of the forces underlying the Czarist policy at home and abroad; the social and economic life of the people under the old regime; the early mass uprisings, strikes and revolutions; the development of capitalism and industry; the distribution of land and property; the revolutionary movement prior to 1905; the 1905 revolution; the World War and the collapse of the old order; the February and October revolutions; the period of military Communism, civil war and NEP; the reconstruction era; the first and second five-year plans.

Economic Policy and Geography of the U. S. S. R.—60 hours, 4 semester units

(Requires thirty additional hours of library, observation and field work. Open to all students.)

The course will discuss the general economic development of the U. S. S. R. by presenting an historical account of the building of socialism in relation to the geographic factors. Topics included in the course are: The period of a military Communism in the first years of the revolution; the new economic policy inaugurated in 1921, and the program of planned construction launched by the first five-year plan in 1928. The course will also touch upon the problems of foreign and domestic trade, wages, housing, social benefits, taxation, Soviet monetary system, etc.

Philosophy of Dialectical Materialism—30 hours, 2 semester units

(Requires a minimum of fifteen hours library work. Open only to advanced students having necessary background in history of philosophy.)

This course will present an introduction to the philosophy of dialectical materialism. The works of Marx, Lenin, and Stalin will be utilized for the presentation of the basic positions, postulates and doctrines of dialectical materialism. The course will also point out the important applications of the philosophy of dialectical materialism to scientific research both in social and natural sciences.

LANGUAGE

Advanced Russian for Foreigners—30 hours, 2 semester units

(Open to students with elementary knowledge of Russian.)

The course will build a more thorough reading knowledge and a better colloquial use of Russian. The emphasis will be entirely upon the practice of Russian for conversational and research purposes. Oral and written composition will be

required. At least one work of contemporary Russian literature will be read and discussed in class.

CALENDAR

July 16–18 incl.: Preliminary sessions in Leningrad.
July 19: Official opening session in Moscow.
Aug. 13: Examinations and final session in Moscow.
Aug. 14–25 incl.: Travel field work period.

NOTE.—Students may arrive in Leningrad between July 16th and 18th. Those students arriving in Leningrad after July 16, but not later than July 18th, will be granted the privilege of remaining in Kiev for an additional number of days, bringing the total to forty days from date of arrival. Students arriving in Leningrad or Moscow earlier than July 16th will be charged the regular Intourist rate of $5 per day in supplement to the basic summer session rate.

The basic rate for travel and maintenance in the Soviet Union during the period of the summer session is $176.00. No refunds will be granted students leaving the Soviet Union before the end of the summer session, unless withdrawal is caused by illness or force majeure.

These regulations are stated in order to permit the necessary adjustment caused by varying dates of arrival in the Soviet Union.

DAILY CLASS SCHEDULE

Hour	*Course*
9–10	Philosophy of Dialectical Materialism.
	Survey of Psychological Research.
	Principles of the Collective and Socialist Society.
10–12	Science and Technic in the U. S. S. R.
	Survey of Education in the U. S. S. R.
	History of the Soviet Union.
	Economic Policy and Geography of the U. S. S. R.
12–1	Arts in the U. S. S. R.
	Organization of Public Health and Socialized Medicine.
	Justice and the Correctional Policy of the Soviet Union.
2–3	Literatures of Russia and the Soviet Union.
	Advanced Russian for Foreigners.

ACADEMIC REGULATIONS

1. Enrollments are accepted for one or more courses, but the total number of class room hours may not exceed ninety (six semester units).

2. The course "Principles of the Collective and Socialist Society" *is prerequisite for admission to all other courses;* however, the student may enroll simultaneously in this and other courses. Students may be exempted from this requirement by presenting evidence of having completed:

a—An equivalent course during the Moscow University summer sessions of 1933 or 1934.

b—An equivalent course in an American school or university.

c—The reading of at least three approved references on the subject.

3. Students enrolling in "Survey of Psychological Research" must list at least three previous courses in psychology when filling out the application form.

4. Changes in program may not be made later than one week after the opening of the summer session in Moscow.

5. Moscow University reserves the right to dismiss students for unsatisfactory work or conduct.

6. Students may not attend courses other than those in which they are enrolled; auditors will not be permitted.

7. Students may not enroll in "Philosophy of Dialectical Materialism" without necessary recommendations or prerequisite courses.

8. All registrations are subject to the approval of the director of Moscow University summer session or the American representative of Moscow University.

9. Academic credit will not be granted to students absent during more than three class sessions.

TRAVEL PLAN

The unique feature of the summer school plan, offered by the Anglo-American section of Moscow University, is the combination of class room and laboratory study with travel in the Soviet Union. The educational directors of the university are of the opinion that an adequate understanding of the policies and

programs of Soviet institutions is to be found not only through academic investigation but also through direct observation of institutions at work. To this end, and in order to permit the visitor to become acquainted with the many aspects of social conditions not only in one locale but throughout the country, each course listed is offered in conjunction with field work tours. These will include the major cities of the Soviet Union, and permit close observation of institutional life.

Academic work at the University of Moscow includes approximately four weeks of resident study and two weeks of supervised travel. The itineraries for the travel period have been set up to meet professional and academic interests. All students enrolled are offered the choice of the following itineraries.

Itinerary No. 1

Aug. 14—Leave Moscow—late afternoon
15—En route
16—Arrive Sevastopol—morning
17—To Yalta
18—Yalta
19—Yalta
20—Yalta
21—Yalta; leave Yalta—morning
22—Arrive Odessa—morning; leave evening
23—Arrive Kiev
24—Kiev
25—Leave Kiev—noon, for Shepetovka

Itinerary No. 2

Aug. 14—Leave Moscow—noon
15—Arrive Rostov—evening
16—Rostov
17—Rostov
18—Leave Rostov—afternoon
19—Arrive Sochi—morning
20—Sochi
21—Leave Sochi—evening
22–23—En route
24—Arrive Odessa
25—Leave Odessa—evening, for Shepetovka

Itinerary No. 3

Aug. 14—Leave Moscow—late afternoon
15—Arrive Kharkov—noon
16—Kharkov
17—Leave Kharkov—noon; arrive Dnieproges—evening
18—Dnieproges—Leave evening
19—Arrive Sevastopol—morning; to Yalta
20—Yalta
21—Leave Yalta—morning
22—Arrive Odessa — morning; leave evening
23—Arrive Kiev
24—Kiev
25—Leave Kiev—noon, for Shepetovka

Itinerary No. 4

Aug. 14—Leave Moscow—evening
15—Old Rostov
16—Yaroslavl
17—Yaroslavl—leave for Moscow
18—Moscow
19—Leave Moscow—evening
20—Arrive Leningrad—morning; leave afternoon
21—Pskov
22—From Pskov to Staraya Russia and by boat to Old Novgorod
23—Old Novgorod—Leave for Leningrad
24—Arrive Leningrad—morning
25—Leave Leningrad, for Belo Ostrov (or by steamer)

Itinerary No. 5

(15 Day Itinerary—Supplementary Cost $20.00)

Aug. 14—Leave Moscow—evening
15—Arrive Gorki—morning
16—Leave Gorki—noon
17—On the Volga
18—On the Volga
19—On the Volga
20—Arrive Stalingrad—morning; leave evening
21—Arrive Rostov—evening
22—Rostov
23—Rostov
24—Rostov
25—Leave Rostov—morning; arrive Kharkov—evening
26—Kharkov
27—Kharkov—leave evening
28—Kiev
29—Leave Kiev, for Shepetovka

Itinerary No. 6

(15 Day Itinerary—Supplementary Cost $20.00)

Aug. 14—Leave Moscow—late afternoon
15—Arrive Kharkov—noon

Itinerary No. 6—Continued

(15 Day Itineary—Supplementary Cost $20.00)—Continued

Aug. 16—Leave Kharkov—evening
17—En route
18—Arrive Kislovodsk
19—Kislovodsk to Ordzhonikidze
20—Georgian Highway
21—Tiflis—leave for Batum
22—Batum—leave evening for Yalta

Itinerary No. 6—Continued

(15 Day Itinerary—Supplementary Cost $20.00)—Continued

Aug. 23—En route
24—En route
25—Arrive Yalta—morning
26—Yalta
27—Leave Yalta—morning
28—Arrive Odessa—morning; leave afternoon
29—Kiev

Students are urged to select their itinerary, and indicate their choice upon the attached registration form, before sailing from New York. Although it is permissible to choose the itinerary while in residence in Moscow, in order to avoid congestion in office routine it is advisable that the choice of itinerary be indicated as soon as possible.

Accommodations and Social Life

Accommodations offered to visitors attending the summer session of the Moscow University are of the dormitory type. These quarters are designed for students who wish to approximate in the living conditions the life of the typical Soviet students.

Persons desiring individual rooms, or rooms for two, may be accommodated in the dormitories; but since the number of such rooms is limited, requests for other than regular dormitary quarters will be considered in order of their receipt. Supplementary rates for individual or double rooms will be supplied upon request.

Accommodations include three full meals daily and lodging. In addition, the summer session provides guide and interpreter service, rail and motor travel, through Intourist, the Soviet State of Travel Company.

The spirit of the summer session is that of the true Soviet school. In its unique student organization and control of all physical and academic problems, the visitor to the Moscow University begins to understand, through a feeling of participation, the functioning of a Soviet university.

Athletic, cultural and social activities after school hours are provided for the visitor through the cooperation of Soviet student groups. Sightseeing, the theatre, the cinema, boating and bathing, the publishing of a "wall newspaper," are but a few of the extra curricular activities available. Soviet life is rich in cultural opportunities for all. The tourist is usually unable to fully avail himself of these opportunities. But the student of the summer session will have ample opportunity to participate in any activity he chooses.

Students accepting dormitory accommodations must be fully aware that these accommodations are not luxurious. They are plain but clean. They do not provide the privacy or comforts offered by hotels. Dormitory accommodations are available mainly because many students cannot afford the higher cost of hotel residence. There are separate dormitories for men and women, with a limited number of rooms for married couples.

Academic Credit

The Moscow University summer session certifies foreign students for full academic credit at the University of Moscow. The student may offer the certificate of attendance and credit, issued by the University of Moscow, to the faculty of the American college or university at which he is regularly enrolled, for evaluation and recognition in accordance with the policies and procedures of the institution. In order to assist in the evaluation of credit, the director of the Moscow University summer session will provide the dean, faculty advisor or other administrative official with a full academic description of courses and of the progress in work of each student. The minimum university credit possible is two points and the maxmum is six points (semester units).

New York City school teachers may offer the certificates issued by the University of Moscow to meet the requirements for annual salary increment (alertness credit).

Credit will be granted only to those students in regular attendance, who have satisfactorily met all the requirements of Moscow University. Final examinations will be given in all courses.

Registration and Fees

Courses are open to all persons interested in the cultural and social progress of the Soviet Union.

Registrants desiring academic credit must be bona-fide undergraduate or graduate university students; teachers on elementary, secondary or university level; or social workers.

Before registering, students must examine the daily class schedule in order not to enroll in courses conflicting with each other. After the student's application has been received and accepted, the Educational Department of Intourist will issue to each student a class admission card as well as a student identification card. All student applications must be approved by the office of the Institute of International Education.

Tuition fees are payable at time of registration. All checks for tuition and registration fees must be made payable to the order of Intourist, Inc., which is empowered to collect fees for the Moscow University. The total registration fee is $2.50, regardless of the number of courses in which the student may enroll. The tuition fee for each thirty-hour course is $20.00; the tuition fee for each sixty-hour course is $40.00.

Tuition fees will be refunded in case of changed plans, at any time prior to July 3, 1935. Registration fees will not be refunded.

Maintenance Cost

The cost of maintenance for the entire summer session, from July 16 to August 25th, inclusive is $176.00.

This amount includes the cost of maintenance in Leningrad or Moscow from July 16th to July 18th; maintenance in dormitories from July 19th to August 13th; maintenance and third-class travel costs from August 14th to August 25th, inclusive.

Students may purchase all travel and maintenance service through local travel agents. Intourist, Inc., provides all travel agents with complete information concerning maintenance, travel, and other services in the Soviet Union. After the student has purchased the necessary service through the travel agent, he will be supplied with covering service-documents to be presented upon his arrival in the Soviet Union to Intourist.

At the earliest possible date, each student will receive a dormitory room-assignment card, a student identification card, and the necessary class admission cards.

Registration Form

Moscow University (*Summer Session*)

(Anglo-American Section)

Directions:

1. Please print legibly in ink. Answer all questions.
2. Consult *Daily Class Schedule* before listing courses.
3. If you desire academic credit, consult the dean or advisor of your school.
4. Checks or money orders must be drawn to order of Intourist, Inc.
5. Mail application form, together with tuition and registration fees, to the Educational Department, Intourist, Inc., 545 Fifth Ave., New York City.
6. For travel information and purchase of maintenance services in the Soviet Union, consult your local travel agent.

(USE FORM ON REVERSE)

APPLICATION FORM

Name Address

Birth date Occupation Place of work

Degrees Present academic status School or college

Do you desire credit?_____ Have you consulted Dean or Advisor?_____ His Name_____

Give one University reference (Name)_____ (Address)_____

List courses in which you are enrolling: (1)_____ (2)_____

(Maximum of three) (3)_____

If enrolling in advanced course, list previous courses or work in field_____

If applying for exemption from prerequisite course, state reasons_____

List Soviet Union Itinerary No._____ Total amount of fees enclosed_____

(Date) (Signature)

The CHAIRMAN. Now you may make your comments.

Mr. SARGENT. There are a number of variety courses here, one on art and literature including Socialist realism in art, discussing the role of the Socialist writer in the program of building for socialism. The principles of the collective and Socialist society, a prerequisite for all students; the course of justice and correctional policy, discussing the Russian system; one on organization of public health and socialized medicine, including social psychiatry and mental hygiene; one on survey of education in the U. S. S. R.; another on science and technic in the U. S. S. R.; one on a study of psychological research; theories of reflexology and conditioning.

Mr. HAYS. Mr. Sargent, you are not commenting. You are just reading.

Mr. SARGENT. It refers to the works of Pavlov here.

Mr. HAYS. We have that all in the record. It is in by unanimous consent.

What are your comments? That is what I want to know.

Mr. SARGENT. My comments are that this document shows a framework of a complete system of indoctrination of American educators which could only be put together on the theory of their receiving such indoctrination and coming back here and introducing it into our school system. It even includes the reflexology item I just referred to, including material on Pavlov, who was the author of the principles of brain washing.

It includes a travel program for these educators to go to the Soviet Union and travel around various parts of the country. One of these travel schedules included 5 days at Yalta, among other things.

There are five different itineraries. It says a unique feature was that they would live under conditions approximating that of the average Soviet student, and the educators attending could even receive academic credit, and the New York City teachers would get a salary increment in the New York City school system by attending the meeting.

I cannot conceive how the panel of people named here would allow their names to be used in sponsorship of a project of this type unless they were profoundly in sympathy with the doing of that kind of thing at the period that is mentioned here. This is offered in full for the transcript of my testimony.

Mr. HAYS. What the committee is concerned about, Mr. Sargent: Could you give us any estimate of how many more pages of your statement there are to read there?

Mr. SARGENT. I am not going to read the entire binder, if that is what you mean. It contains blank paper and various things to which I might want to refer.

The CHAIRMAN. The statement of Mr. Hays was that we had anticipated that you would have required 2 days.

Now, the way the situation has developed, I told him we had anticipated you would be able to finish tomorrow.

We are to have two sessions. Of course, that is not binding on anybody, but that is our goal insofar as your direct testimony is concerned. That is the frame of time that we had in mind.

As you state, I did not have in mind that you were going to read all that is in the notes there.

Mr. WORMSER. Do you think you could finish in two sessions tomorrow?

Mr. SARGENT. I will make every effort to. I think probably.

The CHAIRMAN. We want all pertinent information included. At the same time, we do want to conserve the time of the committee as much as we can.

Mr. SARGENT. Would it be possible, just in case, if I had one session on the following day?

The CHAIRMAN. We don't want to commit ourselves definitely at this time.

Mr. SARGENT. I will make every effort to do that.

Mr. HAYS. As I understand it, now, you are going to take at least two more sessions and probably a third just to get through reading your statement?

Mr. SARGENT. Oh, no. I have an outline of various points to cover here. I am getting pretty well through this historical material. I am getting down to specific topics.

Mr. HAYS. The thing that I am driving at is that it is going to take you this long to get through your presentation before we start crossing; is that right?

Mr. SARGENT. Presumably. Regardless of the reason one way or the other, I have had only a fraction of the time so far, and it has put me off my stride here, and I have to get back on.

Mr. HAYS. There we are getting into the realm of something that is not within the realm of hearsay. We can measure the pages and find out what fraction you have had, and I think you will find out it is a big fraction.

Frankly, I might say that your diatribe has a tendency to afflict me with ennui.

The purpose of this is to try to find out when the committee is going to adjourn for the weekend and when we are going to reconvene next week, because Sunday is Memorial Day, and Mr. Reece and I at least have commitments for Memorial Day.

Mr. SARGENT. I think, having your point in mind here, I can bring in an outline tomorrow morning for my guidance which will enable me to refer to certain things, leave the document with you relating to it, and state its general scope.

Mr. HAYS. We are not going to try to cut you off.

Mr. SARGENT. I understand that.

Mr. HAYS. But we are just trying to find out how long we can run this week and when we can come back next week.

Mr. SARGENT. I think I can do quite well on a full run tomorrow.

The CHAIRMAN. The committee, when it recesses at noon Thursday, will recess to convene the following Wednesday morning at 10 o'clock at a place to be announced.

You may proceed, Mr. Sargent. We will go along as far as we can this afternoon.

Mr. SARGENT. Now, Professor George S. Counts, one of those sponsoring this session, became a professor of education at Teachers College, Columbia University, in the year 1927, and an associate director of the Teachers College International Institute at the same time.

In 1929 he edited a translation of a book by a Soviet educator, Albert P. Pinkevitch, who was president of the Second State University of Moscow. The book states that it was translated under the auspices of the International Institute of Columbia.

In 1931 he published a translation of the New Russian Primer, which was the story of the 5-year plan. The same year he wrote a book entitled "The Soviet Challenge to America." He was still associate director of this International Institute at that particular time.

In February of 1933, the Progressive Education Journal, which is the official publication of the Progressive Education Society, published an article in which Johannson I. Zilberfarb, a member of the State Scientific Council and Commissariat of Education of the Russian Republic, wrote an article commenting on this pamphlet, Dare the School Build a New Social Order?

The editors and publishers of the magazine published an excerpt from a letter that Zilberfarb had written to Counts showing the close sympathy existing between the two men at the time, and here is an excerpt from the letter in the magazine. It says:

> I read with a great deal of interest your recent publication, Dare the School Build a New Social Order? The remarkable progress you have made in challenging capitalism gave me much pleasure and fired me with confidence in a yet greater friendship between us. This feeling, however, in no way moderated my criticisms of the pamphlet, as you will observe from the enclosed view. May I be so bold as to hope that your profound and consistent attack on the social order in your country will eventually lead you to a complete emancipation from American exclusiveness and intellectual messiahship so aptly exposed in your pamphlet, thus enabling you to consider all social progress from a universal proletarian point of view.

Now, going back on another phase of the same subject, we find that generally in the educational profession, commencing around 1926, there was forming a movement which resulted in a report frankly recommending the slanting of history textbooks for a propaganda pattern to further a collective-type of state.

The document to which I refer is known as Conclusions and Recommendations.

It started as a project in 1926 by a committee of nine, appointed by the American Historical Society. There was a $300,000 grant from Carnegie Corp. for that particular work, a 5-year survey. The information I have bearing on that is contained in the report itself. I don't want to take your time in reading all these names. Would you like me to give an excerpt to the reporter containing the list of names without reading them here all now? Counts is one on the committee.

Mr. HAYS. What is the volume?

Mr. SARGENT. Conclusions and Recommendations, Report of the Committee on Social Studies of the American Historical Association. They recommend changing the curriculum to promote a collective-type of state and playing down of traditional American values in schoolbooks.

The CHAIRMAN. What year is that published?

Mr. SARGENT. The publication of that was in 1934. The study began back in 1926 or 1927. It is a $300,000 Carnegie grant. I am reading certain excerpts from the report to show the nature of the conclusions. I wanted to save time by not reading all the list of names.

Mr. HAYS. You say it is pertinent material and it is part of the record without being printed?

Mr. SARGENT. I thought I could have typed off the list of names and give them to the reporter to insert, instead of reading them now.

Mr. HAYS. That is all right with me.

The CHAIRMAN. That will be done.

(The list of names is as follows:)

Frank W. Ballou, Superintendent of Schools, Washington, D. C.
Charles A. Beard, formerly professor of politics, Columbia University; author of many books in the fields of history and politics
Isaiah Bowman, director, American Geographical Society of New York; president of the International Geographical Union
Ada Comstock, president of Radcliffe College
George S. Counts, professor of education, Teachers College, Columbia University
Avery O. Craven, professor of history, University of Chicago
Edmund E. Day, formerly dean of School of Business Administration, University of Michigan; now director of Social Sciences, Rockefeller Foundation
Guy Stanton Ford, professor of history, dean of Graduate School, University of Minnesota
Carlton J. H. Hayes, professor of history, Columbia University
Ernest Horn, professor of education, University of Iowa
Henry Johnson, professor of history, Teachers College, Columbia University
A. C. Krey, professor of history, University of Minnesota
Leon C. Marshall, Institute for the Study of Law, John Hopkins University
Charles D. Merriam, professor of political science, University of Chicago
Jesse H. Newlin, professor of education, Teachers College, Columbia University; director of Lincoln Experimental School
Jesse F. Steiner, professor of sociology, University of Washington

Mr. HAYS. Let me ask you this. I want to look at one of these books myself. What was the name of that book you mentioned this morning that you said did something about creating an air of revolution around 1917? Do you recall offhand what book you were talking about?

Mr. SARGENT. I referred to the New York investigation of radicalism movement, the Lusk Report. It is a work of several volumes, I think 4 or 5 or even 6 volumes, perhaps. It is a very intensive study.

Mr. HAYS. There is another book you mentioned and I can't recall the title. I suppose I can get it out of the transcript of this morning.

Mr. SARGENT. I referred to revolutionary intellectual elites, von Mises' book.

Mr. HAYS. No.

Mr. SARGENT. I referred to the Occasional Papers, No. 3, of Flexner, advocating a change in the educational system, that was 1916, General Education Board publication. I don't recall anything else offhand.

Mr. HAYS. As a matter of fact, what occasioned the inquiry is that someone came to my office who had been in the audience and asked me if I had ever seen this volume and they mentioned the name of it. I had not, and I cannot even recall the name of it. I thought perhaps I was giving enough of a clue. I may be hazy myself. It will show up in the transcript and we will get hold of it then.

Mr. SARGENT. That is right. This report discusses, among other things, educational philosophy for the United States. It says that American society during the past 100 years has been moving from an individual and frontier economy to a collective and social economy. That whatever may be the character of life in the society now emerging, it will certainly be different, and whether it will be better or worse will depend on large measure on the standards of appraisal which are applied. It says that continued emphasis in education on traditional ideas and values of academic individualism will intensify conflict and maladjustments during the period of transition. It says that if education continues to emphasize philosophy of individualism in economy, it will increase accompanying social tensions, and so forth. That the educators stand today between two great philosophies. An individualism in economic theory which has become hostile in practice to the development of individuality; the other representing and anticipating the future.

What these gentlemen propose to do is set forth in their chapter at the end talking about next steps. It says that it is first to awaken and consolidate leadership around the philosophy and purpose of education expounded in the report. That the American Historical Association in cooperation with the National Council on the Social Studies has arranged to take over the magazine, the Outlook, as a social science journal for teachers. That writers of textbooks are to be expected to revamp and rewrite their old works in accordance with this frame of reference. That makers of programs in social sciences in cities and towns may be expected to evaluate the findings. That it is not too much to expect in the near future a decided shift in emphasis from mechanics and methodology to the content and function of courses in the social studies. That is the gist of it.

This report became the basis for a definite slanting in the curriculum by selecting certain historical facts and by no longer presenting others, and brought us to the condition we find ourselves in at the present time.

I am at a little disadvantage here. I had some Building of America books which contained some very pertinent material. How much more time have you to meet this afternoon?

The CHAIRMAN. About 25 minutes.

Mr. SARGENT. That is unfortunate. I thought I would be on all afternon.

The CHAIRMAN. However, we can quit any time.

Mr. SARGENT. Logically that particular section belongs at this point.

I have a few other things I can use. Here another book of Professor Counts showing the Russian influence on educational leaders at the time. It is called Character Education in the Soviet Union. It is edited by William Clark Trow, foreword by George S. Counts,

and is published in 1934. It reviews the Soviet method of dealing with the question of youth and reproduces various posters used for propaganda purposes in the Soviet Union. Here is the first one here, reproduction of an actual Russian poster. The heading, of course, is written in the Russian language. The translation is on the opposite page, and deals with the subject of international education. The poster says:

Without educating internationalists, we will not build socialism. Animosity between nations is the support of counter-revolutions and of capital. It is therefore profitable and so is maintained. War is needed by capitalists for still greater enslavement of oppressed people. International education is the way toward socialism and toward the union of the toilers of the whole world.

Mr. HAYS. Is that book sponsored by a foundation?

Mr. SARGENT. It doesn't show on its face. It is printed by Ann Arbor Press. The foreword is by Counts, however.

Mr. HAYS. I know. You may be making a case that Dr. Counts is a Socialist or Communist or something. I don't know about that. But I want to know where the foundations get this book.

Mr. SARGENT. The foundation tie-in for one is the International Institute in which Counts was in a leadership position and the preferment given to Columbia University and Teachers College by the Rockefeller interests. They have been the main financial stay of that institution in spite of all of their policies.

Mr. HAYS. The Rockefeller Foundation has been the mainstay of Teachers College?

Mr. SARGENT. I understand it is one of the principal supporting groups.

Mr. HAYS. Mr. Sargent, you are pretty evasive. I can see that you have had a good deal of legal training. I ask you a specific question and then you say "I understand." That is one of the nice ways to libel people, isn't it?

Mr. SARGENT. That is not lying.

Mr. HAYS. I didn't say lying; I said libel. You can say I understand so and so is a such and such, and you did not say it; you just heard it around some place. That is not evidence. Is that evidence? You can't use hearsay as evidence in any court. Apparently you can bring darn near anything into a congressional hearing.

Mr. SARGENT. If you want to get down to that, I saw the official treasurer's report of Columbia University, and ran my finger down the various grants, and I found in my own examination of those reports that very considerable sums of money have been granted to Columbia University by that foundation.

Mr. HAYS. That is one thing.

Mr. SARGENT. I saw that.

Mr. HAYS. You say it is the mainstay. Then you change it and say very considerable amounts. There is a little difference there, isn't there?

Mr. SARGENT. Your committee report says there has been a great deal of preferment by these foundations in favor of certain universities. That is stated in your own staff report.

Mr. HAYS. Mr. Reece said that last year when he made his speech on the floor, too, but that doesn't necessarily make it true. He believes that and he has a right to. Understand, I am sure he is sincere on that. Just because somebody says so, that doesn't make it so. As a

matter of fact, there is a lot of stuff in the Congressional Record that might not have too much bearing of fact. The fact that it is in the Record gives it a certain air. There have been cases where someone put a slant in the Record and made reprints and said, "In the Congressional Record it says."

The CHAIRMAN. You keep referring to my speech. Have you gone back and read any speeches that our late good friend, Gene Cox, made on the advocacy of the passage of his resolution?

Mr. HAYS. That is before he got religion.

Mr. SARGENT. The Rockefeller Foundation is of——.

Mr. HAYS. Just a moment. I don't want to interrupt your continuity. Let us go back to this book. I have done a little searching here, and I still don't know the name. Didn't you mention a book by Frederick Lewis Allen?

Mr. SARGENT. Only Yesterday. It is a book recounting the times some years ago. He begins, I think, around the turn of the century. It is a very readable book. He discusses what was going on.

Mr. HAYS. Could I have some member of the staff call the Library of Congress right away and ask if I can get a copy tonight?

Mr. SARGENT. I am not citing it as authority, but a general discussion of the time. I think it is pretty accurate. It was general atmosphere, was the only purpose of referring to it.

Mr. HAYS. I just want to look at it.

Mr. SARGENT. It is a newsy type of book about discussing the very things that were going on and talked of at the time.

Another poster in this book here about character education in the Soviet has a pamphlet with two children, a boy and a girl, a Russian caption, of course, and a translation "Nursery Schools." It says:

Enter the preschool campaign. Build a new life and organize the children's parks and playgrounds. Educate the Communist shift.

That is the beginning of chapter 3. There is one on the 5-year plan here. There is one about liquidating the kulak, a man standing with his hand raised:

Let us eject the kulak from the Kolkhoz.

It talks about self-activity and what the children can do. No, this is not the children but the grownups.

We cannot consider the question of the development of children's self-activity and work with the pioneer activity apart from their connection with the new environment in which we find ourselves and work with the children.

The point of this is that apparently the obsession at this time had gone to such a point that it was considered worthwhile for an educator to bring that material over here, that propaganda, a man connected with a leading school of education, and to write a foreword to it, and thereby endorse it. The foreword by Counts includes the statement that a child can be formed, a youth can be bent, but only the grave can straighten the back of an old man. Also, that the characteristic which distinguishes the Russian Revolution from the revolution of the past is the attention given to children and youth. They realized that if the revolution was to be successful in the long run, if their ideas were really to triumph, if a new society was to displace the old, then the very character of the people inhabiting the Soviet Union would have to be profoundly changed.

Consequently, as soon as they had made the conquest of political power, they turned their attention to the stupendous task of educating the coming generation to the theory and practice of communism. Their achievements to date are without human precedent in human history.

Mr. HAYS. In other words, what he said there is that if the revolution is to be a success, we have to indoctrinate these kids, because if we don't indoctrinate them, they might overthrow us some day.

Mr. SARGENT. That is right. To have a successful revolution, you must indoctrinate the children against the formerly existing order. That was his philosophy.

Mr. HAYS. Do you agree that in order to have a successful revolution you would have to do that? Understand, I am not asking you to endorse a revolution, but I think that——

Mr. SARGENT. I think he has hit it on the head. Of course, that is one way you run a revolution.

Mr. HAYS. You and I agree about that.

Mr. SARGENT. On a revolution you do, yes.

Mr. HAYS. But now what I am trying to find out, and I am very serious about it, was he advocating that we have some kind of revolution and do the same thing here, or was he pointing out that this is the way the Communists are going to do it if they are successful. I do not know this man at all. Maybe he is terrible. But it seems to me from just that one statement he might have been holding up a red flag. On the other hand—I am asking you—was he advocating something or was he warning?

The CHAIRMAN. Would you mind reading again one of the last sentences there from the foreword about the accomplishment is unparalleled?

Mr. HAYS. Read the whole thing.

Mr. SARGENT. It was in the foreword?

The CHAIRMAN. Yes.

Mr. HAYS. The last two paragraphs you read.

Mr. SARGENT. The exact sentence is:

> They realized fully that if the revolution was to be successful in the long run, if their ideas were really to triumph, if a new society was to displace the old, then the very character of the people inhabiting the Soviet Union would have to be profoundly changed. Consequently, as soon as they had made the conquest of political power, they turned their attention to the stupendous task of educating the coming generation in the theory and practice of communism. Their achievements to date are without precedent in human history.

Mr. HAYS. In other words, they did succeed in indoctrinating these children and knew no better than communism.

Mr. SARGENT. I think there is no question about it. I think that is the system that was established. That is the system which by this announcement American educators were going to look at in 1935, the next year.

Mr. HAYS. I don't think that would be too bad an idea because if we are going to combat this communism, we are going to have to do it with ideas and if we are going to be able to educate our people that it is bad, I always thought in order to have a successful fight against an opponent, you had to know something about him. I never stay away from political meetings of the opposite party unless they bar me, and in that case I try to send somebody else who can report on it. I want to know what they are doing.

Mr. SARGENT. Understanding what they are doing is an excellent idea, and I go all for it. But subjecting a teaching staff to a slanted course on one side, and bringing them home, is no counterbalance against something else. It automatically produces a slant in the mind.

Mr. HAYS. Let me say this to you, Mr. Sargent. Along with several other Members of Congress of both political parties, I spent some weeks behind the Iron Curtain and the most effective job I have been able to do in my life—and I can cite you some people who can testify to that, I think—in telling them about what a horrible thing it is, about how it degrades the human, about how there is no freedom of thought, no liberty of any kind, no human decency, has been because I was there and saw it. I was in Prague the night they had the big purge, and they arrested 5,000 people between sundown and sunup, and I will never forget it as long as I live. I think by knowing that I can more effectively tell people when I have the opportunity and occasion about what a horrible thing communism really is.

Are you saying that no one should find that out? I was there and they certainly probably as much as they could subjected us to whatever propaganda they were able to, but it didn't twist my brain any.

Mr. SARGENT. If you were there, you saw something which these people in charge of our educational system with foundation grants didn't get—the people that joined all these fronts and did all these other things. The people who don't know and will not listen and not pay attention to the results of an investigation. That is one of the cruxes of our problem. Here, for instance——

Mr. HAYS. Now, just a minute.

Mr. SARGENT. People who have been there have an entirely different slant from people who have not been there who have read certain literature which they think is all right, and that is all. That is one of our serious problems here. I know what you mean. I have talked to people who have been there recently. I talked to Lt. Paul O'Dowd, Jr., who has received a very distinguished decoration by the United States Government for his resistance to indoctrination in one of these indoctrination camps in Korea, and it is his opinion that there are very serious indoctrination policies in education as presently conducted, and the matter deserves very serious study from that standpoint.

Mr. HAYS. Of course, Mr. Sargent, we will all admit that you can indoctrinate people to about anything through education. I hate to dwell on this. I have been one who has never made a very big issue since I have been in Congress either at home or on the floor because it so happens that my mother was from the South and my father from the North, but it seems to me the children in the South have been indoctrinated one way about the racial problem whereas in the North, they have been indoctrinated another. You say it and I admit it that you certainly can indoctrinate children by education. There is no question about it.

Mr. SARGENT. Therefore, we must maintain the integrity of this system at all hazards, or at least as best we can. The advice of this thing is that there has been such a heavy slanting on the one side, and almost a total—here is an illustration what I mean by the extent to which a certain element in education has gone completely overboard. This is an article in the May 1946 issue of an educational magazine, an article on communications. It is the Progressive Education

magazine, page 266. The author is Norman Woelfel. He says, "It might be necessary paradoxically for us to control our press as the Russian press is controlled and as the Nazi press is controlled."

He said that in a discussion of how we could accomplish more social good through the media of communication.

Now, something is wrong with educational judgment when things like that are seriously said.

Mr. HAYS. Of course we are all against that. On the other hand, it seems to me that you have given quite a serious consideration that you want to control textbooks to your way of thinking.

Mr. SARGEANT. Nothing of the kind. I say these books are propaganda, and Congress prohibited foundation money for propaganda activity.

The CHAIRMAN. That quotation which you just read is from a magazine sponsored by an organization supported, or at least in part by foundation funds?

Mr. SARGENT. Yes, it is the Progressive Education Association.

The CHAIRMAN. Have you read Norman Woelfel's book?

Mr. SARGENT. Molders of the Mind.

The CHAIRMAN. Yes; I have. Gentlemen, the literature on this thing is voluminous. I could take all of this week and next week giving you these things. I am simply giving what I think are representative samples.

Mr. HAYS. Literature, of course, is voluminous on both sides of this. I think we are agreed on that. You are from California. Did you ever head of a foundation called the American Progress Foundation?

Mr. SARGENT. I don't recall that I have; no.

Mr. HAYS. It says here it is in California—and they are bragging about it—nonprofit corporation, federally tax-exempt, and they give their address. Then they have sent a letter out.

Mr. SARGENT. Can you give the address?

Mr. HAYS. Yes. Suite 101-B, Highland Arcade, 1540 North Highland Avenue, Los Angeles 28, Calif. They have sent out a letter, and it is all right to me, and apparently to everybody in Congress, and they say that we are pushing, or we are backing the House Joint Resolution No. 123, copy enclosed, by Representative Ralph W. Gwinn. Congressman Gwinn had a perfect right to introduce this resolution. It is proposing an amendment to the Constitution of the United States relative to prohibiting the United States Government from engaging in business in competition with its citizens. This copy of it says, "Printed for"—this is a copy of the bill.

Mr. SARGENT. What is the bill about?

Mr. HAYS. I just read the title to it. You know as much about it as I do from that.

Printed for—

I will read it again if you didn't get it. I don't want to cut you off.

Printed for and at the expense of the American Progress Foundation, Los Angeles, Calif.—

and they go on to say a nonprofit California corporation federally tax exempt. That is propaganda, isn't it?

Mr. SARGENT. I would certainly say it was; yes. It is influencing legislation.

Mr. HAYS. That is a pretty specific example of it.

Mr. SARGENT. It is influencing legislation, certainly.

Mr. HAYS. I must refer that to the staff.

Mr. SARGENT. Unless they have some specific interest. I think, Mr. Hays, a foundation which happens to have a specific interest in specific legislation may properly present and defend that interest. For example, you had all the foundations in the business coming in voluntarily before the Cox committee and testifying, and they had a stake in the controversy. If they didn't have a right to come in on that matter, they would be deprived of their exemption rights by now, for having been there.

Mr. HAYS. You may have a point. I don't say this foundation shouldn't do that. I don't know. This was just handed to me by another Member on the floor today, and he said "here is one for your committee." I am just asking you. As far as I am concerned, let them push that bill. If it is a good bill, and if they can convince enough people that is the way we do it under the Constitution, it is not easy.

Mr. SARGENT. As a legal matter the distinction is that something directly within the corporate purpose of an organization they may do. There is some organization promoting forestry and conservation and they lobby continuously on that. On general matters, of course, that is another thing.

Mr. KOCH. Under the statute it says if a substantial part of their income is used, and we have to worry during these hearings just whether we can make a better definition than substantial. If normally they do perfectly innocuous things and then get off the beam once, we have a question as to is this right or is it wrong. That is where the statute has to be interpreted.

Mr. HAYS. That is an interesting thing to bring up because we have had a lot of arguments about Rockefeller and this $100,000 a year he has made available, and the inference has been that it has not been good. Maybe it has not. I don't know. On the other hand, he gave a lot of money to a place down here in Virginia called Colonial Williamsburg, and I expect spent more than he did on this project which I have been to numerous times, and I think is very good.

Mr. KOCH. They say that is not foundation.

Mr. HAYS. No; he did that. I can't get Mr. Sargent to say, perhaps he doesn't know, whether this $100,000 a year he keeps talking about was from Rockefeller himself or the foundation. It is all vague.

Mr. KOCH. Miss Casey says it was foundation money.

The CHAIRMAN. Have you reached a stopping place?

Mr. SARGENT. I think I have, yes.

The CHAIRMAN. The hour of 4 o'clock has arrived, and the committee stands in recess until 10 o'clock tomorrow morning.

(Thereupon, at 4 p. m., a recess was taken until Wednesday, May 26, 1954, at 10 a. m.)

TAX-EXEMPT FOUNDATIONS

WEDNESDAY, MAY 26, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10:15 a. m., pursuant to recess, in room 304, House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece (presiding), Goodwin, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst.

The CHAIRMAN. The committee will come to order.

You may proceed, Mr. Sargent.

Mr. HAYS. Mr. Chairman, I was asking Mr. Sargent informally before the hearing started if he can find in his notes—I have not been able to find it, I just got this transcript handed to me as I was coming over here—I am interested in this book, Only Yesterday, which he mentioned. I would like to find out exactly what he said about it, if we could at this point.

TESTIMONY OF AARON M. SARGENT, ATTORNEY, SAN FRANCISCO, CALIF.—Resumed

Mr. SARGENT. I can't do that without having the transcript or getting my notes out of the hotel room. I am coming back in any event for cross-examination after this hearing is completed. I will supply you with the exact reference.

I might say at this time my only interest in mentioning the book at all was that it was talking about what people on the street currently were talking about at the time.

Mr. HAYS. Would you hand me the book, sir?

Mr. SARGENT. Yes. It is a newsy book about the state of public discussion at the time, and what the people were doing and acting. That is all; local color. It is not an authoritative work in the sense of proving revolution. It said that people were trying out all sort of things. That is said in that book.

Mr. HAYS. I think you cited this book to support your contention that there was imminent danger of revolution around that period.

Mr. SARGENT. No, sir, I did not. I said it was being talked about at the time.

Mr. HAYS. You didn't say that the country was in imminent danger, that there was a serious danger in 1917 and 1918?

Mr. SARGENT. I said there was on the basis of the findings of the report of the Lusk committee.

The CHAIRMAN. Will you permit an interruption? As I recall the statement, the Lust committee reported there was a revolution.

Mr. SARGENT. Yes, they made very extensive findings. They found there was at that time a serious danger for our form of government. I did not in any sense use the Allen book as an authority. I don't think Mr. Allen is an authority on the subject.

Mr. HAYS. You see, Mr. Chairman, that is exactly what I am trying to prove. The witness brings in a book and the committee is at a complete disadvantage, because we don't know beforehand what book he is going to cite, and we don't get the transcript until the next day. I think the transcript will show he is saying two entirely different things about it. He brought the book in. He cited the book. I have never heard of the book. I have had a half hour to glance at this book, and I want to read a few paragraphs out of it. I will read from page 76:

> The big red scare was slowly, very slowly dying. What killed it? The realization for one thing that there had never been any sufficient cause for such a panic as had convulsed the country.

I don't know whether this is an authoritative work or not, but the witness cited it so I thought I would look at it.

Then on page 52, he talks about the Boston police riots:

> The Boston police had a grievance. Their pay was based on a minimum of $1,100, out of which uniforms had to be bought, and $1,100 would buy mighty little at 1919 prices.

Then on page 56, in talking about the then Attorney General, he says:

> Mr. Palmer decided to give the American public more of the same and thereupon he carried through a new series of raids which set a new record in American history for executive transgression on individual constitutional rights.

Then he goes on and is talking about the fanaticism and fervor, and he says on page 58;

> Nor did it quickly subside for the professional superpatriots and assorted special propagandists disguised as superpatriots had only begun to fight. Innumerable patriotic societies had sprung up, each with its executive secretary, and executive secretaries must live, and therefore, must conjure up new and ever-greater menaces.

You know that has a faintly familiar ring, doesn't it?

> Innumerable other gentlemen now discovered that they could defeat whatever they wanted to defeat by tarring it conspicuously with the Bolshevist brush. Big Navy men, believers in compulsory military service, drys, anticigarette campaigners, antievolution fundamentalists, defenders of the moral order, book censors, Jew-haters, Negro-haters, landlords, manufacturers, utility executives, upholders of every sort of cause, good, bad and indifferent, all wrapped themselves in Old Glory, and the mantle of the Founding Fathers and allied themselves with Lenin.

Of course, he goes on to point out that they tried to ally their opponents, as is being done today, with something nasty and dirty. He goes on and I am quoting:

> For years a pestilence of speakers and writers continued to afflict the country with tales of sinister and subversive agitators.

He speaks further:

Elderly ladies in gilt chairs in ornate drawing rooms heard from executive secretaries that the agents of the Government had unearthed new radical conspiracies too fiendish to be divulged before the proper time. A cloud of suspicion hung in the air and intolerance became an American virtue.

This is the author that you brought in.

Mr. SARGENT. I brought in a specific statement at a specific time.

Mr. HAYS. I am bringing in some specific statements so we will get a well-rounded picture.

The CHAIRMAN. May I be permitted to——

Mr. HAYS. Just a minute. I want to get the whole picture of this man. He made all sorts of statements, and I am not subscribing to any.

Mr. SARGENT. I only said that the discussion at the time publicly was about this condition. My authority cited was the Lusk Report of the New York Legislature. That book was not cited as an authority. I do not consider it to be authoritative on whether this conspiracy in fact existed. Mr. Allen did not know.

Mr. HAYS. The point I am making, and I think you made it for me, Mr. Sargent, is that you can bring in any book, and you can do it with great regularity, and you can pick out a sentence or paragraph out of it and make it prove whatever you want it to prove. After I read a few paragraphs out of the book, you want to disavow any relationship to it.

Mr. SARGENT. No.

Mr. HAYS. It is something that you are not going to vouch for at all now after we have looked it over.

Mr. SARGENT. No; I vouch for the part of that book which states that the intellectuals were doing all sorts of wild things and discussing it publicly, and that was the air surrounding the period. That is all I wanted to say.

Mr. HAYS. You are going to vouch for part of the book and leave the rest out?

Mr. SARGENT. No. I don't have to buy the whole book because he tells the truth on one thing. You think it is a pretty good book?

Mr. HAYS. No; I don't. I think you brought out an authority that may have been a little wild in some of the statements he makes. To further prove that, let me read his subtitles for paragraph 6:

Fair and Warmer Washington. The Helpfulness of Warren G. Harding, Washington Conference. Harding's Death. The Truth Begins To Come Out. Teapot Dome and Elk Hill. Who Loaned Fall the Money? Six or Eight Cows. The Silence of Colonel Stewart and Others. The Testimony of Mr. Hays—

and will the record please show that is Will Hays—

The Reticence of Mr. Mellon. The Veterans' Bureau Scandals. Dougherty. Who Cares? The Undedicated Tomorrow.

That is the kind of book it is.

The CHAIRMAN. If Mr. Hays would be condescending enough to permit one interjection, I would like to say that I would not like to associate myself with what has been read, and I would sum it all up as meaning that anybody who is against Fabian socialism, and all it implies, is classified as a superpatriot with white cloth around him.

Mr. HAYS. You know something? You didn't disassociate yourself with this book yesterday when he was reading paragraphs out of it

that seemed to prove what you wanted him to prove. Furthermore, Mr. Chairman, Fabian socialism is not mentioned in this book as far as I can find out.

The CHAIRMAN. No; I was disassociating myself with the interpretation of what you put on what you read.

Mr. HAYS. Mr. Reece, I put no interpretation whatever. I merely read some paragraphs out of the book because I wanted to acquaint you with the kind of books that your witness is bringing in here and citing. I am just trying to wake you up.

Mr. GOODWIN. You had one paragraph there on the Boston police strike. Can you find that readily? I am not quite sure I caught it exactly.

Mr. HAYS. I just have some pages marked here. I can find it very quickly. Page 52. I might say I only read, as I said at the beginning, the first sentence out of that. He goes on. I might in justice to this fellow say that the Boston police strike fizzled out, and it was bad for the public welfare and so on. The man says a lot of things. I am only trying to prove, Mr. Goodwin, that you can't take a book and read a sentence or two out of it and say it proves much of anything.

Mr. GOODWIN. Of course, the police strike did not fizzle out. It was ended by the Governor of Massachusetts when he sent a telegram to the country to the effect that there was no right to strike against the public safety by anybody, anywhere, any time, and made Gov. Calvin Coolidge President of the United States probably.

Mr. HAYS. No doubt about it. I remember only two statements that he made. That one and the one, "I do not choose to run." That was about his total contribution to history.

The CHAIRMAN. We will not try to enter into the evaluation of the services of Calvin Coolidge. I think the services of that great American speak for themselves.

Mr. HAYS. I have just one other question, and then you can proceed, Mr. Sargent.

Do you know Bob Humphrey of the Republican National Committee?

Mr. SARGENT. No. H-u-m-p-h-r-e-y?

Mr. HAYS. Yes.

Mr. SARGENT. No; I don't recall the name.

Mr. HAYS. He has not helped you at all?

Mr. SARGENT. Not a particle. In fact, no person connected with any political organization or group has done so as far as I recall.

Mr. HAYS. I do have one more thing, Mr. Chairman. I want to state at this time that I talked personally last night to Mr. Edward R. Murrow, and he categorically denies that he has ever in his life been in Russia, regardless of anything you may say to the contrary.

Mr. SARGENT. I didn't say he was. I said he signed the prospectus.

Mr. HAYS. You told us yesterday that you heard from good authority that the school was held and these people attended.

Mr. SARGENT. I didn't say all these people attended. I said I believed the school was held.

Mr. HAYS. Mr. Murrow is sending down a statement; it should be here today, and when it comes, I expect to read it into the record.

Mr. SARGENT. I think, Mr. Chairman, in justice to me and the American people, unsworn statements and information regarding telephone

calls should be considered as having no evidentiary value whatever before this committee.

Mr. HAYS. Mr. Sargent, don't ally yourself with the American people. In the first place, you are not running this committee, and what you think has nothing to do with it.

In the second place, I am of the opinion after your testimony is made, most of the American people will not ally themselves with you. I don't want any more inferences or insinuations out of you. You act like you are running this thing here, and you are not.

Mr. SARGENT. No; I am trying to present a case.

The CHAIRMAN. That is a question that will be determined when matters or information are presented as to what the form of presentation shall be. I think it would be best not to get into it now.

Mr. HAYS. I think so, too, Mr. Chairman, and I think it would be well to have an understanding that the witnesses are not to give any advice on how to conduct the hearings. Just because it is happening around the Capitol and other places, we don't have to take it as a precedent.

The CHAIRMAN. The witness will proceed in order, and the chairman hopes that the members of the committee will do likewise.

Mr. SARGENT. When there was first discussion about the rule for my making a presentation in full and having questioning afterward, I volunteered and offered to appear before you for the purpose of answering questions fully. I want to renew at this time my expression of my willingness to do so, and say I expect to do that. At such time and place as you may designate after my testimony is completed, I will so appear and I will do it voluntarily.

Inasmuch as this question has been arised about this Frederic Lewis Allen book, I think something of considerable importance has emerged from it, and I think this is what it is.

There is an important difference between what people are currently thinking or talking or writing about at a given period, as to actual conditions, and what exists at the time. I want to give you what I think is a graphic illustration of exactly that.

I doubt if you can search the literature of the period 1933–36 and find very much support for the idea that a revolutionary movement was going on. There was an investigation by a select committee of this House at the time. The facts on that are contained in the inquiry regarding the charges of the late Dr. William Wirt, of Gary, Ind. Mr. Wirt made some very serious charges. I have a copy of them before me. He asserted——

Mr. HAYS. Now, then, Mr. Chairman, the witness just got through objecting about me making a statement or reading anything from Mr. Murrow. Now he is reading an unsworn statement from some character that I never heard of before.

Mr. SARGENT. This is an official record of the House of Representatives, sir, on the case of William A. Wirt.

Mr. HAYS. Just because it is in the official records of the House of Representatives doesn't necessarily make it so, and was it sworn to. That is your point, not mine.

Mr. SARGENT. It was introduced on the testimony of Dr. William A. Wirt, and it is a document upon which the House of Representatives appointed a committee to go into the charges. I have read that record.

Mr. HAYS. What pertinency does it have to this?

Mr. SARGENT. Because it shows a revolutionary condition seriously charged at the time and active attempts being made to suppress the investigation, a minority report filed stating that it had been suppressed, and those charges were not inquired into.

Mr. HAYS. Does it have anything to do with the foundation?

Mr. SARGENT. It has a great deal to do with the conspiracy situation I referred to, and I think it should be in the record this morning.

Mr. HAYS. The New York Times said something to the effect that you made a lot of talk about the 1920's and 1930's, and you had not related it to anything pertinent to this investigation—I believe those were the words—or you had not related it to the foundations. That is what I think.

Mr. SARGENT. I am intending to do that, Mr. Hays. Your staff here has other information. It is not expected of me to prove the entire case. I am proving certain phases of the case which are within my knowledge.

Mr. HAYS. Let us use the words "you are attempting to prove."

Mr. SARGENT. Very well. This report contained some very serious charges having a vital bearing on the safety of the American people. It included the statement here—this is a conversation in the presence of Dr. William A. Wirt, an eminent educator of his time—he states in this document here that he was advised that he was underestimating the power of propaganda which since the First World War had developed into a science, that they could make the newspapers and magazines beg for mercy by taking away advertising, by laws to compel only the unvarnished truth in advertising; that schools and colleges could be kept in line by the hope of Federal aid until the many New Dealers in the schools and colleges had control of them.

The document in question is a part of the official records of this House in the inquiry into the charges of Dr. William A. Wirt. Of the committee appointed there, the minority was unable to get any subpena power to bring in the people referred to by Dr. Wirt. They protested and filed a minority report which is also a document of record in this House. Those members said they could not join in the report, and that the committee had not met its responsibility. That the resolution was a coverup, a cowardly effort to smother the issues presented by the Dr. Wirt letter, that the letter does not present a personal matter, but a broad issue of whether or not there are those connected with the administration who are committed to philosophies of government contrary to the Republic under the Constitution.

The minority protested that they were denied the right to call a single witness designed by them. They appealed for subpena power to Arthur Morgan; H. A. Morgan; David Lilienthal, Director of the Tennessee Valley Authority; Harold Ickes, Public Administrator; and Harry Hopkins, Federal Emergency Relief Administrator. I have read all of the names referred to in that paragraph. By their votes the three members refused to permit these five public officials to be brought before the committee.

The minority members informed the majority members that if they were permitted to bring the witnesses before the committee, they would show the following, and they list a series of charges here which are long, and which I won't read. One was that the Tennessee Valley Directors had organized a subsidiary corporation with the stock in those corporations to be owned by the United States Government, and

corporations chartered by it to engage in the business of processing, and so on.

Mr. HAYS. What does that have to do with foundations, even assuming that it were true, and as I recall it now, I heard of this fellow, and he was more or less discredited by many witnesses who testified directly opposite.

Mr. SARGENT. One thing is that it would have exposed the Ware Communist cell in the United States Government which was formed in the Agriculture Department in 1933 in May. Alger Hiss was in that cell. Alger Hiss later became the president of the Carnegie Endowment for Peace.

Mr. HAYS. Put in by the present Secretary of State, Foster Dulles.

Mr. SARGENT. And defended in a Federal court in the United States in the city of New York in a trial handled on those charges of espionage—rather perjury.

Mr. HAYS. Mr. Sargent, Alger Hiss is in jail. We know that. That is where he belongs. The evidence pointed out that and the Democrats put him there. You have made a lot of inferences which you admitted yourself against the so-called New Deal Party. The New Deal Party, as you call it, put Alger Hiss in the penitentiary. You are basking in the limelight reflected from a convict.

Mr. SARGENT. No; I am not basking in any limelight. I will give you later the story of the character witnesses of Alger Hiss.

Mr. HAYS. We don't want the story because there is no pertinency to this.

Mr. SARGENT. I think there is. I am citing this mainly for the purpose of proving that there is a vast difference between what is being currently gossiped and talked about and what actually exists currently. There was a very active revolutionary cell in the United States Government in the 1930's. The Wirt charges were true, and they were suppressed. These educational conditions we mentioned occurred at the very time that Wirt was airing these charges within the Government. There was a conspiracy and it was revolutionary in its nature. There was a conspiracy forming in 1920 as found by the Lusk committee report. Mr. Allen didn't know it.

Mr. HAYS. Even if that is true, you are getting pretty hard up for publicity if you have to rehash that stuff, because all of that has been investigated, the facts have been brought out, and you sitting there saying so and so was true does not make it true. The fact of the matter is that there is a great deal of doubt about the credibility of you at all, because you started this hearing off by saying, when I asked you the question were you offered the counselship of the Cox committee, "Yes, sir." It is right here in the record. When I pinned you down, you weasled considerably.

Mr. SARGENT. I didn't say "Yes, sir."

Mr. HAYS. Yes, you did say "Yes, sir." Don't call me a liar, because the record says so.

Mr. SARGENT. Assuming it was offered makes no difference in the present connection.

Mr. HAYS. It makes a difference as to whether we are going to believe what you say or not.

Mr. SARGENT. May I go on with my testimony?

Mr. GOODWIN. Why should we not let the witness go ahead with the testimony. We are to be the judges of the evidentiary value. In the

meantime, if he believes it is pertinent to the inquiry, it seems to me he should proceed.

Mr. HAYS. Mr. Goodwin, let me say this. I am only trying to keep the witness talking about something that has a remote relationship to the subject at hand.

Mr. GOODWIN. I understand that.

Mr. HAYS. I am sorry that you have not been here. I have a great deal of confidence in your fairmindedness, and I realize that you could not be here because of the importance of the Ways and Means Committee considering the bill. This witness has a tendency to go off on all sorts of tangents that have nothing pertinent to do with the facts. He says right here that he didn't say what the record says he said. If he is going to do that, where are we going to stop?

Mr. SARGENT. You requested me to finish today.

Mr. HAYS. I am more interested in the principle of truth than saving time.

Mr. SARGENT. You will have the truth from me, and you will be getting it.

Mr. HAYS. I didn't get it at the beginning.

Mr. SARGENT. At the close of the session yesterday, I was asked a question regarding the foundation known as the American Progress Foundation, a California nonprofit foundation. Reference was made to House Joint Resolution 123, a proposal for the amending of the Federal Constitution to prohibit the Federal Government from engaging in business in competition with its citizens. I subsequently contacted the office of Mr. Gwinn to determine what the organization was. He has some of their letters from there. I am informed that this is a membership corporation. In other words, it is not the kind of a foundation I am talking about. The kind of foundation we have been discussing here is the section 101 (6) foundation, which has merely a board of directors, administers money, and has no general membership. Corporations of this type fall under subdivision (8) and subdivision (8) is the same basis as the American Civil Liberties Union, for example. The Revenue Bureau holds them exempt as to their own income, but does not permit deductions by donors on their own income-tax returns of money given to them. This is, I think, quite clearly a sub (8) corporation, and would have the same status as ACLU. I think that is the correct status of it.

I have a letter here furnished to me which confirms the fact that the Civil Liberties Union is a subdivision (8) corporation (26 U. S. C. A. 101, sub (8), and the Treasury regulation on that is sec. 39.101 (8) (1) of regulation 118).

We were referring yesterday to this book about character education in the Soviet Union. One of the committee members, I think it was Mr. Reece, asked me to read over a paragraph in the foreword by Dr. George S. Counts. I think Mr. Hays asked a question as well. The statement was that as soon as the Soviets had made the conquest of political power, they turned their attention to the stupendous task of educating the coming generation in the theory and practice of communism. There is a very important fact in there which seems to appear wherever these revolutionary movements with education take shape. In Russia, for example, it appears to be the case that they did use the progressive system to start with. They used it to destroy

the old tradition. Having destroyed the old tradition, they moved in with positive indoctrination to protect revolutionary gains.

That is the technique. First you destroy what is. You move in with force and put in what you want to do, and then you positively put the mind in a straightjacket and defend that status. It may be of interest to note that in the February-March issue, 1934, of Progressive Education magazine, Nucia P. Lodge, who is one of the translators of some of George Counts' books, and worked on the Russian books with Counts, wrote an article in which she propounds the question, Has Soviet Russia repudiated progressive methods?

Mr. HAYS. When was this written?

Mr. SARGENT. In January and February 1934.

Mr. HAYS. Do you know anything about Dr. Counts at all except what you read from his books?

Mr. SARGENT. I have read his writings somewhat extensively. I know him from books.

Mr. HAYS. Do you know anything about Elizabeth Bentley?

Mr. SARGENT. I have heard of her from the newspapers. She testified on the Alger Hiss hearing.

Mr. HAYS. She was a Communist at one time.

Mr. SARGENT. Yes.

Mr. HAYS. She is now repentant.

Mr. SARGENT. Yes.

Mr. HAYS. You have read some things from Dr. Counts' writings to indicate at least that if he was not a Communist, that he was an extreme leftwing thinker.

Mr. SARGENT. He had very extreme views, and he had a profound influence on the educational system.

Mr. HAYS. Along about the same time that Elizabeth Bentley was an active Communist?

Mr. SARGENT. Yes.

Mr. HAYS. Do you know anything about his present views?

Mr. SARGENT. He has written that he has purportedly changed. The book does not show that he repudiates the right to use the school system as a political instrument to modify the social order. I have seen that book.

Mr. HAYS. If we had him in here and he swears that he changed his mind and could bring something to prove that he is an active anti-Communist, which he now is, then he would become as sacred as Elizabeth Bentley. You cannot accept one repentance without accepting others.

Mr. SARGENT. This is not a personal attack on Counts at all. This is a comment on the damage done on the educational system by conditions of this sort. It is directed squarely to the point that Congress wishes to do something to make this damage unlikely in the future. This is not a personal vendetta at Counts or anybody else.

Mr. HAYS. Thanks to Mrs. Pfost, I found your remarks about the book. You said:

> If you want a quick picture of this revolt of the so-called intellectual group during the period, you will find that in Frederick Lewis Allen's book, Only Yesterday, discussion at page 228. He describes the atmosphere of the period in very clear terms.

Mr. SARGENT. I said atmosphere, yes.

Mr. HAYS. In other words, you were recommending a certain portion of the book. Do you want to repudiate everything but that one page?

Mr. SARGENT. No, I am not required to buy the whole of a book because it has one paragraph which seems to be accurate. Quite often in the trial of a case you use testimony as an admission from the defendant. It fits the case perfectly. You don't have to buy the rest of his testimony because you cite a portion of it.

Mr. HAYS. It has always been among people who knew what they were doing in research that you had to establish the credibility of the sources you cite. You seem to want to establish that by picking a paragraph here and there that suits your purpose, and any other contradictory paragraph, that guy was wrong about that—"He is only right when he agrees with me."

Mr. SARGENT. I said atmosphere, Mr. Hays.

Mr. HAYS. I know what you said.

Mr. SARGENT. Atmosphere is what was being publicly discussed at the time, and that statement of the atmosphere I think is a correct statement. That is all I had to say on the point.

Mr. HAY. Just a minute. I have this here to read.

Mr. SARGENT. I understood I was to go through with this and to be cross-examined later.

Mr. HAYS. You get a lot of misunderstandings.

Mr. SARGENT. Wasn't that the agreement?

Mr. HAYS. We are getting a lot of agreements here that we bring these people back later, but I have a sneaking suspicion that this committee is going to run out of money and you are going to get to spread your diatribe on the record and go home.

Mr. SARGENT. That is unfair. I offered at the opening of the hearing, and I will be back next Wednesday.

The CHAIRMAN. Just a minute. The understanding is that at the conclusion of Mr. Sargent's testimony, and at the next session, he will be available for questioning at length.

Mr. HAYS. Now, Mr. Chairman, there is an issue made here about whether or not I am telling the truth.

The CHAIRMAN. Don't——

Mr. HAYS. Yes, there has. The man said he didn't say what he said and I said he did. I am going to read the record.

Mr. HAYS. Were you ever offered the counselship of the Cox committee?
Mr. SARGENT. Yes, sir.

That is your answer, that is all.

Mr. HAYS. Do you have any documentary evidence to that effect?
Mr. SARGENT. Not in my possession. You mean a specific offering of the position or discussion of my possible employment?
Mr. HAYS. I asked you a specific question. Were you offered the counselship of the Cox committee?

And then you said:

In substance, yes.

That "Yes, sir," got sort of wishywashy there.

It was indicated verbally that my appointment would be looked upon favorably. The actual tender I do not think was made.

I know the actual tender was not made. I am preparing to bring in a witness, if the chairman will sign a supena, who will testify flatly

that after investigation they threw up their hands in horror and didn't want anything to do with you.

Mr. SARGENT. Oh, so?

Mr. HAYS. Yes.

Mr. SARGENT. All right. Anything of that kind I will answer, and I will answer fully——

The CHAIRMAN. The chairman will just state that last statement is at variance with my information as a member of the committee.

Mr. HAYS. I would like the record to show that may be true, and I would not question you at all. But I think the record should also show that you only attended two committee meetings the whole time so you probably didn't have very much information about what went on.

The CHAIRMAN. I hardly think the record will show that.

Mr. HAYS. I believe it will. You know, we had a debate about that on the floor, and in the interchange, I got a little enthusiastic and I said you had only been there once. You asked me to correct that. And I said, "Well, we will say twice", and you accepted. That is in the Congressional Record.

The CHAIRMAN. I didn't accept that.

Mr. SARGENT. The foundations were opposed to my employment. That is a fact.

Mr. HAYS. Judge Cox in his statement to the Congress was pretty worked up about the foundations and it hardly seems likely to me that he would have taken their advice about whom to employ.

Mr. SARGENT. I say the foundations were opposed to my employment. However, I would like to go on with this, if I may. I am here to conclude today, if I can arrange to do so.

There was reference in prior testimony to the League for Industrial Democracy, which is a tax-exempt corporation. I have some additional information to submit regarding its activities. Here is a letter bearing the signature of Harry W. Laidler, September 9, 1935. It is a photostat. It is addressed, "Dear Friend," and evidently it is one of his letters sent out circular fashion to a group of people, and not one addressed to an individual. It says:

> If you could come into the LID office today you would receive reports of great productive educational activity in the summer, of an unusually full program for the fall, but of an empty treasury which threatens to seriously affect our work.

I am not going to read it, but leave it for the record. There is reference to the launching of their plans in high school, building up lecture circuits and in general carrying on propaganda within the educational system. It shows still as president of the organization Robert Morss Lovett, to whom I have referred.

(The letter is as follows:)

> If you could come into the LID office today you would receive reports of great productive educational activity in the summer, of an unusually full program for the fall, but of an empty treasury which threatens seriously to affect our work.
>
> The summer report would tell of an exceptionally good June conference on white collar and professional workers under capitalism. It would bring you the story of a group of 21 picked college students brought together in the L. I. D. summer school for 6 weeks of intensive training in field work with union and unemployed groups, of morning seminars in theory and tactic, of every-day discussions of problems common to students from California to the Carolinas. The schools built a comradeship which is basic for enduring work in the movement on the campus or in the field.

During the summer also the pamphlet Strikes Under the New Deal was completed and is now ready to mail. Research on two new pamphlets was vigorously pursued. Participation in the Young Congress helped greatly in formulating a militant program for the nation's youth.

As to plans for the immediate future—we must launch student organization everywhere and at once, early in the college and high school year. We must build up the lecture circuits in new centers. We must arrange various radio programs. We must complete the pamphlets begun in the summer. These are preliminary to establishing a new research service which we believe will double the amount of research produced and reach a much larger audience than we have had in the past. The Chicago office, with a plan for extended work in the metropolitan area, is ready to reopen. The emergency committee for strikers relief will be called upon to renew its efforts on behalf of the sharecroppers who are about to undertake a cotton pickers strike.

In addition to our major program, the L. I. D. continues its work of active cooperation with other groups. By arrangement with the New Beginning group, which carries on underground work in Germany, one of its leaders is to come to America under our auspices. With several defense organizations we are undertaking a campaign to widen the support for Angelo Herndon; we are active on the Sacramento defense committee to fight the criminal syndicalism laws in California. Other joint efforts find the L. I. D. actively participating.

The disastrous effects of an empty treasury are obvious. Won't you make the conltinuation of L. I. D. work possible by sending in a contribution or pledge now? $9,000 is necessary if we are to meet the minimum requirements of the program for 1935, which in the face of social needs is at best adequate. Upon your immediate response depends the future of the L. I. D.

Sincerely yours, Norman Thomas, Harry W. Laidler.

Mr. SARGENT. I have some publications of this organization, showing their educational work. One is entitled, "Socialism in the United States, a Brief History, by Dr. Harry W. Laidler." The copyright date is 1952.

I have one entitled "A Housing Program for America." I don't see a copyright date on this.

Mrs. PFOST. Mr. Sargent, is the printing paid by the foundation?

Mr. SARGENT. This organization itself is tax-exempt. I don't know whether or not a foundation paid for either the printing or the pamphlet. Your committee will have to find out what has been the source of revenue of this organization.

The CHAIRMAN. Will you give the name of it again?

Mr. SARGENT. The League for Industrial Democracy. This one I don't see a copyright date. I can't peg the date for you.

Mr. HAYS. If they are under section 8 you are talking about whether they are tax-exempt or not, they can engage in propaganda.

Mr. SARGENT. But Congress has a right to consider whether it is wise to continue such a privilege when it has been used in effect to continue a lobby.

Mr. KOCH. This is the one that is under 8. It was Civil Liberties that you used before. This is under 6.

Mr. SARGENT. Here is one, Toward a Farmer-Labor Party, again by Harry W. Laidler. The copyright date is 1938.

Mr. KOCH. Mr. Chairman, are these just submitted for the record, but not to be printed?

Mr. SARGENT. No, I just am referring to the fact that such a publication was made at the time.

The CHAIRMAN. They are submitted for the record but not for printing.

Mr. SARGENT. No. In fact, these are my personal copies. I want to take them away. The Library of Congress has them all. They are copyrighted publications. Here is a pamphlet called, Russia—De-

mocracy or Dictatorship, by Norman Thomas and Joel Seidman. The copyright is December 1939.

Mrs. PFOST. How widely circulated were these?

Mr. SARGENT. I think rather extensively. I don't known too much about that. They have an office in New York City out of which they disseminate various things. The address given here is 112 East 19th Street, New York City. I personally went to that office within the last year or two, I don't recall the exact date, and I purchased some publications of the British Fabian Society of Great Britain. I have three right here. One is called, National Coal Board, by G. D. H. Cole, revised edition.

Mr. HAYS. Mr. Sargent, have you made any investigation into the Ku Klux Klan along about this period? You are back in that period, and I wonder if you think it was good or bad?

Mr. SARGENT. Is that a tax-exempt organization?

Mr. HAYS. Depending which State it was in, it was something.

Mr. SARGENT. I know nothing about it, and I would like to proceed with my testimony.

Mr. HAYS. Do you think it was bad?

Mr. SARGENT I would like to proceed with my testimony.

Mr. HAYS. What you would like has no bearing.

Mr. SARGENT. I think it is a bad organization. May I proceed with my testimony?

Mr. HAYS. You have been more than arrogant, and you can keep on going that way, but if I have some questions to ask, get it straight I am going to ask them.

The CHAIRMAN. Mr. Hays, we must have some decorum here, and bringing up the Ku Klux Klan is evidently done for——

Mr. HAYS. No, it is not. It is right in the book that the witness submitted. I will read it for you.

Mr. SARGENT. I didn't cite any such thing.

Mr. HAYS. It is in your book. You brought the book in.

Mr. SARGENT. Must we talk about the whole book?

Mr. HAYS. It might be more interesting than a lot of stuff you are talking about.

The CHAIRMAN. The Ku Klux Klan has nothing to do with this investigation by any stretch of the imagination. As Members of Congress, let us accept our responsibility and proceed with this study in as orderly fashion as possible. Let us not make inferences on anybody.

Mr. HAYS. Mr. Reece, I am not making any inferences, but if you want any arguments about accepting our responsibilities as Members of Congress, I am willing to argue with you. I think we have a responsibility as Members of Congress not to bring in any obscure character assassins and dignify them by letting them use this as a forum to assassinate right and left, such people as Senator Douglas, and Mr. Edward R. Murrow. Even this witness will never remotely get the prominence they have by even trying to assassinate their character, although he may get cheap publicity out of it. There is no inference there. I said it straight.

Mr. SARGENT. I read the entire list of names. Mr. Murrow's name about the middle. I gave it no special reference.

Mr. HAYS. And you mentioned a former Member of the United States Senate from North Carolina. If the chairman was so inter-

ested in observing decorum and rules, he would not let you drop names because it suits your purpose.

Mr. SARGENT. I am glad I have not cited the Encyclopedia Brittanica because then we would have to discuss all the articles.

Mr. HAYS. I have no doubt from your attitude you are an authority on all the subjects.

Mr. SARGENT. I purchased these pamphlets in the League of Industrial Democracy in New York City. I gave the title. It is about the national coal board. The copyright date on that is September 1948, and a revised edition January 1949. It was purchased by me subsequent to that at that office.

I have another Fabian tract here, this is No. 288, entitled, "Rearmament—How Far?" It says that it contains speeches at a Fabian conference in the summer of 1951. The address given is Fabian Publications, Ltd., 11 Dartmouth Street, S. W. 1. I presume that means London.

Mr. HAYS. Mr. Chairman, I would like to make an observation that he keeps talking about the Fabian Society and you said the Ku Klux Klan had no relevance to this hearing. I will tell you what it is. Both are dead as the dodo bird, so you can compare them on one basis. One was an extreme left-wing outfit and the other extreme right-wing Fascist outfit. If we are going to have a course in ancient history, we ought to have all phases of it.

Mr. SARGENT. Here is a 1950 pamphlet, a very recent document of the League for Industrial Democracy. It reveals the political part of the organization by the panel of speakers. The program listed is Freedom and the Welfare State Today, a Symposium, by Oscar R. Ewing, Herbert H. Lehman, George Meany, Walter P. Reuther and it says "and others" "Harry W. Laidler, editor." Would you like me to read the names of the others?

Mr. HAYS. I think you have enough prominent names in there to at least convince the committee that you heard of a few prominent people.

Mr. SARGENT. I would like to know whether you wish the other names read.

Mr. HAYS. It is immaterial to me.

Mr. SARGENT. If you don't want them read, I am not desiring to, particularly.

I have another one from the League for Industrial Democracy. This is 1949. It is entitled "Education and the Social Order," by John Dewey, showing the organization sponsorship of the John Dewey philosophy.

Here is a pamphlet which is copyrighted 1945, entitled "Forty Years of Education, a Symposium." It says on the cover "By Upton Sinclair and many others." The participants here on the inside of the title page are, and I am reading them in order, column 1, and then column 2, Upton Sinclair, Eleanor Roosevelt, Arthur Creech Jones, Frank Scott, Charles G. Bolte, Wallace J. Campbell, John L. Childs, Julius Hochman, Harry W. Laidler, Algernon Lee, Newbold Morris, Harry A. Overstreet, Mark Starr, Norman Thomas, Theresa Wolfson, and it says, "and many others."

Mr. HAYS. Let me ask you right there, Could you give me any semblance of a reason why you read those names? What is the pertinence?

Mr. SARGENT. To show that this organization is political in character. It brings in political people and supports political issues of a certain type.

Mr. HAYS. Do you mean to infer that it brings in the wrong kind of political people?

Mr. SARGENT. The statute makes no difference between good or bad propaganda. It says organizations under this exemption shall not carry on propaganda.

Mr. HAYS. This foundation you are the head of, if you ever get any money, what kind of propaganda are you going to carry on?

Mr. SARGENT. We are not going to carry on any propaganda at all. We are going to support the Constitution of the United States. We are going to study factually the conspiracy threatening the United States Government, and give full publicity to it by educational materials to get the truth to the people.

Mr. HAYS. You say you are going to get the truth to the people? Do you think anybody might think at all that what you have to say might be propaganda?

Mr. SARGENT. I think you will undoubtedly disagree with me, Mr. Hays. I am expecting that.

Mr. HAYS. Let me ask you this. Do you think because Eleanor Roosevelt and Norman Thomas and Newbold Morris all attended the same meeting, that is some sort of discredit, we will say, to Mrs. Roosevelt?

Mr. SARGENT. I am not talking about discredit. I am saying the activity is political in nature and the prominence of all these political people establishes the fact.

Mr. HAYS. You are not inferring that there is any left wing stuff about it?

Mr. SARGENT. This is an organization having a so-called liberal flavor to it.

Mr. HAYS. So the very association gives a bad connotation.

Mr. SARGENT. I am not talking about anything they do which is not political. I am not attacking any individuals. I am saying they were there. You are not authorized to infer such a statement from me.

Finally, there was a meeting of the John Dewey Society—not the John Dewey Society, the League for Industrial Democracy; this bears the copyright date 1950. It is a meeting held as a tribute to John Dewey. The people present at that meeting, according to the statement here, were John Dewey, David Dubinsky, Irwin Edman, Frank D. Fackenthal, Felix Frankfurter, Alice Hoffman, John Haynes Holmes, Hu Shih, William H. Kilpatrick, Harry W. Laidler, William Pepperell Montague, Joy Elmer Morgan, Jawaharlal Nehru——

Mr. HAYS. You have heard of him?

Mr. SARGENT. I didn't see the last name first. Ralph Barton Perry, Walter Reuther, Rebecca Simonson.

Now, my next item has to do with a project financed by the Rockefeller Foundation. I have a photostat of the announcement here, "Building America. The general education board of the Rockefeller Foundation provided over $50,000 to assist in the development of 'Building America,' now endorsed by outstanding educators in every State, distributed by the Grolier Society, Inc." That is a publishing concern in New York.

That photostat came into my possession in approximately around 1946 or so. The Grolier Society was handling the books at the time.

I am now proposing to show you what the people of the United States got for this $50,000 gift from the Rockefeller Foundation. I have here a book out of the Library of Congress, it is Volume II, Building America.

Mr. HAYS. Are you just going to read a paragraph or two out of it?

Mr. SARGENT. I will read as much as you want. I am discussing one article here.

Mr. HAYS. Nobody seems to care about the taxpayers and all the stuff that they let you put in the record that we will have to pay for printing. You might as well read it all to get a true picture.

Mr. SARGENT. I don't have time. I will show you the samples.

Mr. HAYS. You don't work; do you? You have no job; do you? You have lots of time; don't you?

Mr. SARGENT. I am here at $6 a day at a sacrifice. I think that is immaterial.

Mr. HAYS. That is not quite as much as $125 a day that you offered your services.

Mr. SARGENT. Mr. Hays, I would like to go on without being insulted.

This is a sample of the material as it was issued. This book here, volume II, contains a series of units discussing various topics. The topics are articles, Our Constitution, Safety, Clothing, Social Security, Steel, We Consumers, Conservation, and Movies.

The original publications in pamphlet form one unit at a time, such as I have here, the one on Russia—China, rather—I have one on Russia. They were published serially and when the stack was completed, they would combine them in order in the shape of a book.

The publication in question originated with the Society for Curriculum Study, an organization established at Ohio State University.

Mr. HAYS. That is really a leftwing institution. Senator Bricker is one of the trustees out there.

Mr. SARGENT. I said Ohio State University originated it.

Mr. HAYS. They don't even allow——

Mr. SARGENT. It has an interesting history which I would like to trace.

Mr. HAYS. Don't talk while I am going. You brought in Ohio State in a nasty way, as you have a cute habit of doing. It happens that is the principal university in my State, and it so happens that it is generally considered to be a very conservative institution with men of the general political thinking of Senator John W. Bricker, of Ohio, on the board of trustees. Some of the members of the board of trustees were appointed by Senator Bricker. I don't want any inference there—and I will use this term very generously—no neophyte who knows nothing about education and has obviously proved it in 3 days, is going to slander Ohio State University. You may slander some people and some institutions, but let us keep the record straight on that.

The CHAIRMAN. The Chair wishes to state on his own account that he doesn't consider that there is any slur attached to Ohio State University. I share the same high regard for Ohio State University as does the gentleman from Ohio. I think that the record standing of Mr. Sargent, who is before the committee, speaks for itself.

Mr. HAYS. Mr. Chairman, that is a good statement. Just what is the record standing of Mr. Sargent? He is a self-appointed expert. He says that himself.

The CHAIRMAN. It is all in the record at the beginning of his testimony in order to qualify him. If you looked at yesterday's statement you will find it.

Mr. HAYS. I looked it over when I qualified him, and I qualified him at the go that he weaseled out of the truth at the beginning. If that is the qualification we want to have, let us have it understood.

The CHAIRMAN. The courts are available if he has weaseled on the truth.

Mr. HAYS. Don't worry, I will submit it to Mr. Brownell, and if he ever gets done with the McCarthy hearings on perjury, maybe he will have time to look at this one. I think he is going to be a busy man for a long time.

Mr. SARGENT. If you will make a statement off the floor of Congress, I will take care of it.

Mr. HAYS. I will make a speech in my district on Sunday, and I will have a lot to say about you, and it will all be off the floor of Congress, and I will submit you a copy.

Mr. SARGENT. This article to which I refer is entitled "Our Constitution." It contains the elements of the plan to pack the United States Supreme Court. I personally examined the copyright documents in the Federal Copyright Office here in Washington, and discovered that the publication of this document was October 1936. In short, this material got into the hands of teachers, and presumably pupils in public schools, before the November 1936 Presidential election, and several months before the bill was introduced in February 1937 to pack the Federal judiciary.

Here are some of the statements contained in this article. This is for classroom use and discussion. The publication originally was for the secondary school level. It has since been graded down to be used in elementary schools when the children do not have an understanding sufficient to deal with the issues propounded here. It propounds a question whether the Constitution as drawn up serves the needs of the American people and what changes have been made in the Constitution, and the Supreme Court decisions on it. Whether further changes should be made in the Constitution to serve the needs of the American people.

With your permission I have a copy of the same thing which is marked. I would like to read from my copy, because it will save time. I have the same article.

Mr. HAYS. If it is all the same with the committee, I would like you to read from the Library of Congress copy.

Mr. SARGENT. Then I will use my copy to identify the passages and then turn over and read it.

The CHAIRMAN. It doesn't make any difference which copy you read from.

Mr. HAYS. It may not to you, but it does to me.

Mr. SARGENT. I am very glad to do that. There is a discussion here about Shea's Rebellion, and the weakness of Congress before the adoption of the Federal Constitution. It says that the States appointed delegates to a convention. That Samuel Adams, a friend of liberty, was absent from the convention. That Patrick Henry

declined "because he said he smelled a rat." I am reading exact quotes here—

That nearly all the men who gave their great talent to the job were capable, well-to-do lawyers, planters, merchants, bankers, or businessmen. Some of them had lent money to carry on the Revolution. Many held continental bonds and paper money which were almost worthless, but which they wanted the new government to make good. None of the delegation was a city mechanic or a small farmer who owned little or no property.

It says on page 7 that the convention held together by the strength of a hair only because the delegates were agreed on one main point—

They wanted a strong government to protect property against the common man who owned little more than the strength and skill of his hands.

There is a cartoon on two pages here, 8 and 9, portraying the function of the Supreme Court as the killing of legislation. The instance given here is the 16th amendment, the income-tax amendment. With the people demanding an income-tax law, the veto. Here in the cartoon is a scroll of paper portrayed as a man standing before the Supreme Court and pleading, and on the other side he lies on the floor dead, and it says here:

Killed in test case before Supreme Court by a 5-to-4 decision.

Mr. HAYS. Could you identify the cartoon, where it first appeared, and so on?

Mr. SARGENT. It doesn't contain any name here. It is just in the book.

Mr. HAYS. It must have been in some newspaper or somewhere.

Mr. SARGENT. I don't know where it was. It may have been drawn for the purposes of the book. I have no knowledge one way or the other.

On pages 10 and 11 there are more scenes. Here is a picture of the Black Legion with two men dressed in the robes of the Black Legion.

Mr. HAYS. You think kids should not know that?

Mr. SARGENT. They should have an honest presentation of both sides and at an age when they can understand it.

Mr. HAYS. Probably the only way we could get an honest presentation would be for you to write one. Why don't you write one and see if you can get it printed.

Mr. SARGENT. On page 24, there is what is called the New Deal score, listing the various prominent cases at the time, the TVA case, the Gold Clause case, Hot Oil, and various other decisions. Then we have here on page 26, the statements of what the liberals propose, and I will read them all:

1. Have Congress pass an act requiring at least a 6 to 3 vote in the Supreme Court to declare any Federal law unconstitutional.
2. Have Congress propose a sweeping amendment which would make it constitutional to pass any law providing for the general welfare for poor people.
3. Compel all justices to retire on pensions when reaching the age 70. (A bill which allows Supreme Court Justices over 70 years of age to retire on full pay if they so desire has been recently passed by Congress.)
4. Add justices to the Supreme Court, in this way making it more responsive to the will of the people.

In short, the propaganda of these agencies with foundation aid had reached the point where they were advocating court packing and were putting it in the American public-school system.

I am talking now about the National Education Association, which is also a tax-exempt organization, an organization whose charter the Congress has a right to examine if it is considered wise to do so. I will refer to the NEA.

Mr. HAYS. Would you mind if I asked you a question about the membership of the NEA?

Mr. SARGENT. If you wish.

Mr. HAYS. Am I right in saying that the membership of the NEA comprises about every primary and secondary schoolteacher in the United States?

Mr. SARGENT. A very large membership, yes. They have little or no control over the actions of the people at the top.

Mr. HAYS. They probably know more about that than you do.

Mr. SARGENT. I would be reluctant to believe they did in view of some of the activities we find. The National Education Association later took over this publication, Building America, and sponsored it actively and sold it. They sponsored it for use in California in a proceeding in which I participated, and where charges made by the Sons of the American Revolution and represented by me were sustained and held to be completely with foundation. The charges had to do with a special edition of Building America, three books. There was 1 book for the seventh grade, and 2 books for the eighth grade. These books were compiled by taking certain of these Building America pamphlets, and publishing them in a predetermined order. When you see the order in these books, you find what you have here is a stacked deck.

The first book in the seventh grade, before children have anything in the way of teaching, or did have in our school system at the time, in American history, is devoted to China. This article is written in effect according to the Owen Lattimore line, involving the betrayal of American interests in China. A committee of the California Legislature was appointed to investigate that matter, and they found just exactly that.

I will read you what they said about this Building America unit on China, or a portion of it. I will leave the pamphlet with you for further study:

> This book is peculiarly useful to the Communists as a medium to further disseminate the current party line concerning conditions in China.

That was the finding of a California legislative committee on this article.

The next article had to do with Soviet Russia, indoctrination on that score. It is an obvious piece of propaganda. It begins on the first page with a question propounded to Stalin:

> Are you going to try to communize the United States?

Mrs. PFOST. Is that in the large book? You are quoting now from a pamphlet.

Mr. SARGENT. This is in the book, yes. I will read from the book itself. It is the same thing. This is the California edition I have here of the book on Russia. The second unit is Russia.

Mr. HAYS. Is the California edition different?

Mr. SARGENT. No, it is identical. This is merely the California stacked deck of the original. It was arranged in a propaganda manner to make it more effective.

Mr. HAYS. Was the deck stacked by somebody in California or the NEA?

Mr. SARGENT. The NEA I understand sponsored the publication in its present form for California use.

Mr. HAYS. You understand that?

Mr. SARGENT. They did.

Mr. HAYS. All right.

Mr. SARGENT. I was present in the legislative hall in Sacramento, Calif., when a letter was read from the National Education Association in Washington urging the legislative committee to sustain the books which were these books I have before me now, and I am testifying from. This is for seventh graders at a highly impressionable age, and propounds this question supposed to have been answered by Stalin whether he is trying to communize the United States. The answer:

> Of course not—

was followed by the question:

> Are you going to try to turn the Soviet Union into a democracy?

Mr. HAYS. What was the answer to that question?

Mr. SARGENT. It is not answered. The next sentence said:

> The truth of this story is far less important than the point it makes.

The article traces the course of the Russian Revolution. Here on page 78 is a discussion of one-party government. The first paragraph:

> The 1936 constitution begins by stating that the U. S. S. R. is a Socialist state of workers and peasants. The land is the common property of the people who also own the means of production, distribution, and transportation. It contains all the famous fredeoms, freedom of speech, press, assembly, and conscience.

Mrs. PFOST. Mr. Sargent, what years were these textbooks used in the California schools?

Mr. SARGENT. They were actively proposed in 1946.

Mrs. PFOST. Are they still being used in California?

Mr. SARGENT. No, they were never used because the legislature refused to appropriate the money. The Superintendent of Public Instruction denounced the legislature for refusing to furnish the money to buy these books and continued to carry on an agitation to attempt to force them in our schools. They had been literally compelled by legislative process to refrain from putting these books in the schools of California.

Mr. HAYS. Let me ask you this. You read what the Soviet constitution purports to say and probably it does say that. I don't know, I never read it, but does it anywhere in that volume say that they have not lived up to what the constitution says?

Mr. SARGENT. It contains a few statements which are claimed to take the curse off the thing, but the net weight is propaganda in that direction.

Mr. HAYS. But you are not reading any of the statements in which they might point out that although the Soviet Government says so and so, it does such and so else?

Mr. SARGENT. It contains some weasel words on the other side, yes. I have not time to read the entire publication. It is here for you to look at.

Mr. HAYS. You ought to be an expert on that.

Mr. SARGENT. I think the legislative committee of California is an expert. I have right here before me the legislative committee report. So you don't have to take my word.

Mr. HAYS. It that the Tenney report?

Mr. SARGENT. No, the Dilworth committee, a committee of high standing operating since 1946, and has rendered to date 12 reports, including the situation at Pasadena, which has been grossly misrepresented by the National Education Association.

The CHAIRMAN. I would be interested in its evaluation.

Mr. SARGENT. The evaluation on this Russian article in the third report of the Senate Investigating Committee on Education of the California Legislature, this is known to us as the Dilworth committee. Senator Nelson Dilworth of Riverside County, Calif., is its chairman. The discussion on the Russian article commences at page 78 and it says:

> If any book in the Building America series were examined for Communist propaganda, this would be the most natural target. Assuming that some of the writers who had to do with the drafting of the material for this particular volume wanted to say nice things about the Soviet Union and subtlely play up the good points of Marxism and play down the worst features, and assuming further that they were quite aware of the probability that this book would be the first to go through a critical examination: How would they proceed?
>
> In the first place, there is always propaganda through the omission from text material of objectionable topics. An example of this has already been seen in the volume of China, in the omission of mentioning the very solid ties between the Chinese Communist Party and the Kremlin. Then there is the use of the illustration. This is a particularly effective technique in books of this sort, designed for use by grammar-school children who are prone to pay more attention to the many photographic pictures than to the comparatively dry text. Thus all the Russian women are robust, sturdy, well-fed, well-dressed, and appear to have been freshly scrubbed.
>
> Every field is lush with grain or corn; every barn is bursting with hay; the people are smiling and happy. None of these Soviet citizens appear to be afraid of the secret police, the purges, exile to the salt mines or party discipline. The scarcity of necessary materials bothers them but little; stores are shown displaying flowered yardage materials, there are pictures of gay ballerinas in the theaters, traveling shops serving the collective farmers in the fields, church services to dispel the silly notion that there is anything athiestic about these carefree Marxists.

Among other things this analysis of the legislative report lists the front organizations of some of the authors of reference material in these books, among them Anna Louise Strong, Albert Rhys, Allen Roberts. The analysis of this particular unit showed among other things that the reference materials were practically study lists to indoctrinate teachers in communism.

The CHAIRMAN. Earlier you quoted from a California book a statement to the effect that the Russian constitution guaranteed the four freedoms, freedom of thought, freedom of speech, and so forth. Was that quoting from the Russian constitution, or was that a statement contained in that book on the author's responsibility, in which case it would be purely propaganda?

Mr. SARGENT. The particular statement there in the text here is not in quotes. The part in quotes in that paragraph is simply this: "Socialist state of workers and peasants." The rest purports to be a statement of what the Russian constitution contains.

Mr. HAYS. May I see it?

Mr. SARGENT. Yes.

The CHAIRMAN. Some of that material has been authoritatively circulated, and urged to be used in the public schools, and it is disturbing to me unless there is some satisfactory explanation of it.

Mr. HAYS. There are some things. The constitution recognized the Communist Party and forbids the formation of any other political organization. It defines the party as "the leading core" and those are quotes, and the direct nucleus of all organizations. It goes on to say that many minor positions in the Government are held by non-party members. However, since the party is the leading core in the organization it is doubted whether a candidate of whom the party disapproves could be elected to the office.

Mr. SARGENT. And you are expecting a seventh grade school child to evaluate material like that without studying history. I said it was propaganda, because of the grade level.

Mr. HAYS. Understand, I am not saying that the Building America books are all right. I don't know anything about them. I know they have been the subject of a great deal of controversy. The point I am making is—and I have never seen one until this minute—there are 2 or 3 statements that might be a little derogatory about the Communists.

Mr. SARGENT. There are some statements as a clever attempt to take the curse off the propaganda load in the books, yes. The California committee also found that the photographs in here came from SCFOTO, which is the Soviet propaganda agency. They also noted in here——

Mr. HAYS. Seriously, let me ask you a question, and I am very serious about this. Presuming, and I assume you think we should teach our children something about Communist Russia—I mean we can't say it does not exist—how would you go about it? I am very serious, and I want to tell you why. I got a letter the other day from a teacher in my district, and he said:

> I am writing to you because I have to teach something about Russia and the Communist system—

and he said—

> I have heard you speak about being behind the Iron Curtain and what it does to people. I would like to have some material on that, but—

he said, and this is the significant thing—

> I am afraid to write to the Russian Embassy or to any place else to get even their side of it to show what kind of propaganda they put out, because in the little town I live in, if I got a letter from them, I would be immediately suspect.

In other words, the poor guy wanted to get hold of some of this propaganda so he can show the children how they indoctrinate people, and there is no freedom and he is afraid. How would you do it?

Mr. SARGENT. I would obey the statutes of California which provide that it is unlawful for a teacher to advocate communism, that it is allowable to teach truthfully and factually the subject at a grade level where the pupil has a proper foundation and is able to understand it.

Mr. HAYS. Mr. Sargent, that is no answer.

Mr. SARGENT. It is. I would do exactly that. I would not put it in an elementary school.

Mr. HAYS. Forget that. How are you going to teach them about it. The teachers now are afraid to mention the word. You can't fight an evil like communisim by saying it does not exist.

The CHAIRMAN. If you will permit an observation on my part, a teacher that has presumably qualified himself to teach school and doesn't know enough about communism in Soviet Russia to adequately teach the students, I think ought to be given another examination.

Mr. HAYS. Mr. Reece, that is a nice statement. I don't mind you engaging in a little pleasant demogoguery. I am sure that will read good down in Tennessee. How is the average American teacher going to know much about Russia or anything else unless he reads some books. He is not going to stand before the class and say, "I am an authority on Soviet Russia; it stinks. We will go on to England."

The CHAIRMAN. The average American teacher today is a college graduate and a large percentage of the teachers today are graduate students in some phase, and they have had a wide opportunity to study every reasonable facet of education and American history, or at least even in the distant era when I was teaching school that was to a very large degree the case. I don't minimize the problem that you raise there, however. The teacher does have an important responsibility.

Mr. SARGENT. We have a great educational need there, Mr. Hays, which should be met. It is the opinion of many that the place to start is to form a good course of study and to start aiding the educators who are of the same turn of mind to understand what this is, to devise the teaching material and do a positive job. I am all in favor of that being done.

Mr. HAYS. Is that supposed to be a geography book you are reading from?

Mr. SARGENT. This is social studies. You have been talking about social studies and foundations' support for them. This is social studies as received by the people of California by the gift of the Rockefeller Foundation and others.

Mr. HAYS. Do you have any textbooks in the social studies that you would recommend as being all right?

Mr. SARGENT. I am not familiar with all the books they are using. Of course, we have. As social studies, I think the social studies concept has proved to be a vehicle for propaganda, and is erroneous. Many believe that history should be taught factually as a subject, and the other subjects should be taught factually, and not mixed in this form.

Mr. HAYS. In other words, you think you ought to teach history by teaching them that in 1492 Columbus discovered America, and in 1776 there was a revolution, and in 1860 Lincoln was elected President of the United States, and in 1861 some nasty southerners started a rebellion against the country. Pardon me, Mr. Chairman. That is factual, but do you think that will be valuable?

Mr. SARGENT. Did I say that?

Mr. HAYS. I am trying to find out what you mean.

Mr. SARGENT. I didn't say that. I said history should be taught as a factual subject.

Mr. HAYS. Is that what you mean by factual?

Mr. SARGENT. No; I do not mean that. I mean the teaching of significant movements which have occurred throughout American history, the movement which resulted in the Declaration of Independence, and so on.

Mr. HAYS. I think all teachers teach that. What about the Know-Nothing Party? How would you handle that? Do you remember that movement?

Mr. SARGENT. Yes. It was a very discriminatory and disreputable organization.

Mr. HAYS. What about the Whig Party? What would you say about it?

Mr. SARGENT. I think a discussion of the Whig Party would be a very profitable thing, particularly now. The history of the Whig Party is very significant.

Mr. HAYS. What about the background and what caused the break-up of the Whig Party? Would you let them find out anything about that, or just say it was not there any more?

Mr. SARGENT. At the proper grade level I definitely would.

Mr. HAYS. Somebody somewhere along the line is going to disagree with something that is said. No teacher in a classroom can keep track of everything that every student says, and somebody will disagree, and some organization will say, "My goodness, look what they are letting them say in school."

Mr. SARGENT. I am talking about the blackout in history in California and no history books furnished in the department of education from 1928 until almost 1940. They were following the line advocated by the progressive education group at Columbia University. A legislative investigation started before they began to furnish history books as required by law. There was no history.

Mr. HAYS. I don't know anything about the blackout in California, and I don't know whether this is the proper place to go into that. I don't think there was any blackout in my State.

Mr. SARGENT. Ohio may be perfect. Other places are not quite so good.

Mr. HAYS. No; but Ohio does not have as many radicals on both sides as California does. I think that is a generally accepted fact.

Mr. SARGENT. May I go on, please. I would like to finish my presentation.

Mr. HAYS. It is all right with me.

Mr. SARGENT. As further evidence of the propaganda purpose and that these books are a stacked deck, I call your attention to the fact that the last articles at the end of the eighth grade, after all that material goes in, the last articles are "Our Constitution," "Civil Liberties," and "Civic Responsibility." But all the other material comes first. The Constitution article is the one I referred you to here. The Dilworth committee report points out something else. This Russian article contained many cartoons of Stalin. There were no pictures at all of Lincoln or Jefferson, but there were two very derogatory cartoons put in. These cartoons were put in a revised edition after the legislative investigation had started, showing a deliberate attempt to throw propaganda into the schoolbooks. Here is one showing Lincoln burying the Constitution. The cartoon is reproduced in this report. The text quoted by the Dilworth report says:

"In violation of the Bill of Rights, President Lincoln threw people suspected of disloyalty into prison without trial. Military courts heard civilian cases. Chief Justice Taney was alarmed at these illegal measures, but Lincoln defended his action as a necessity of war. 'It is better to save the Union without a Constitution,' he said, 'than to save the Constitution without a Union.'"

The committee is profoundly shocked at this one-sided and derogatory presentation of President Lincoln. It leaves out all that is noble and inspiring to all peoples in the world in the character and acts of President Lincoln who freed a great race from slavery and is today the outstanding exponent in history of the rights of the common man.

"Before the advent of communistic philosophy into this country after the Russian Revolution, the teachers of the schools all over the United States encouraged the children to bring pennies to school to build the great memorial monument to Lincoln on the banks of the Potomac at our National Capital.

"Nothing so vividly illustrates the change in attitude of some of our national educational leaders in some policy-forming positions of the National Education Association of professional educators and teachers as this about-face toward the memory of Abraham Lincoln who lived and labored 'That government of the people, by the people, and for the people shall not perish from the earth.'"

Here is one on Thomas Jefferson attempting to tear down the Constitution—this is for the elementary grades.

The Dilworth report says:

There are two great Americans that the devotees of foreign isms and ideologies consistently smear. They are Abraham Lincoln because he suppressed a revolution and Thomas Jefferson because he is the great advocate of rights of the State and individual as opposed to centralized government control.

The Dilworth committee also says:

If cartoons are so vital for a textbook, why were none used for Russia or Stalin?

The conclusion of this report, and it is a unanimous report of the California Legislature, is that they consider it their duty to publish a complete evaluation of the propaganda and they find the books to be unfit for use in our schools. They did make that evalution. They found among other things that 113 Communit-front organizations had to do with some of the material in these books and that 50 Communist-front authors were connected with it. Among the authors are Sidney and Beatrice Webb, identified with the Fabian Socialist Movement in Great Britain.

The CHAIRMAN. I failed to catch those numbers.

Mr. SARGENT. 113 front organizations. This reference is at page 47 of the report, and 50 front authors. The reference is at page 48. I will be glad to leave my report for the convenience of the committee.

Mr. HAYS. Do I understand that these books are not in use anywhere in California?

Mr. SARGENT. No. We succeeded in defending ourselves against them.

Mr. HAYS. Do you think they are in use anywhere?

Mr. SARGENT. They were for some time. Texas rejected them by action of their State board of education, as I am informed. There have been questions about them elsewhere.

There was a program to put these in the schools everywhere and it is my understanding that the California proceeding broke it up.

To illustrate the extent to which building a new social order is a program in these books, let me read the titles serially to show that it is a very unusual curriculum. This is commencing with the 7th grade, and running through the 8th:

China, Russia, East Indies, Our Neighbors in North Africa, America's Outposts, Italian Americans, Seeing America, Foreign Trade, Lend-Lease, Oil, Rubber, Seeing America, Our Federal Government, Congress, Politics, Machinery for Foreign Relations, Social Security, Community Planning, Our Land Resources, Our Water Resources, Conservation, We Americans, the American Indians,

Spanish Speaking People, Family Life, Arts and the American Craftsmen, America Discovers Its Songs, The American Theater, Our Constitution, Civil Liberties, For the Right to Liberty, and Civil Responsibilities.

Someone has passed me a note stating that the Building America books are being used in Arlington right now. I do not know that for a fact. Your committee may want to inquire.

One more illustration on propaganda, and I will turn to another subject. This article on social security, which is not part of the curriculum to begin with, no place in an elementary grade, is not a prescribed course of study, here is a full page picture the size of a Saturday Evening Post cover, with a destitute woman with a child in her arms. That is your propaganda you will find throughout these books, the seamy side of American life, the unfortunate; sympathetic Russia is sweetness and light. The United States is a place of destitution, failure, unsound conditions. The propaganda impact of that kind on a child of tender years is obvious. The California Legislature barred them.

The CHAIRMAN. That is one of the same series?

Mr. SARGENT. Yes, that is the same series. That was barred in California, too. These lead me to another topic.

I was talking about the propaganda activities of the National Education Association.

Another one was carried on by the National Education Association which interjected itself into a controversy involving the superintendent of schools at Pasadena, Calif., Mr. Willard L. Goslin. Mr. Goslin's conduct was unsatisfactory to the Pasadena people. They opposed a bond issue which he wanted passed, they were opposed to his policies of bringing people from Columbia to workshops, for example, William H. Kilpatrick.

Mr. HAYS. Mr. Chairman, I don't know what we have to do with Pasadena's problems about the superintendent of schools.

Mr. SARGENT. You will find out in a minute. The National Education Association injected themselves into the case and chastised the people of Pasadena for firing the superintendent of schools. They have no right to invade the local jurisdiction of schools; that is a political activity.

Mr. HAYS. Were you engaged in that fight at all?

Mr. SARGENT. No, sir; I had no part in it. I did go down and find out what happened afterwards. I had no connection with it. That was not my case.

The CHAIRMAN. I want to state here since so many references have been made to the witness, and I have no responsibility for him, that all my checking indicates that he is an eminent lawyer in California with a very high standing.

Mr. SARGENT. This is another report of the Dilworth committee of the California Legislature. It is the eighth report of that committee. It contains at page 93 a reprinting of a document which purports to be made by Harold Benjamin, chairman of the National Commission for the Defense of Democracy Through Education, NEA. It is entitled, "Report on the Enemy." It was delivered at an NEA meeting, 88th delegate assembly, at St. Louis, Mo., July 3, 1946. In this article he portrays the people as enemies of their schools and says in substance that the educational profession should organize to combat them. He says some of these people are traveling under alias. Some of them

are taxpayers. Some of them are antitax groups, heated patriots and opponents of Columbia Red pragmatism and so on. This document I will likewise leave with you.

Incidentally, on my own investigation—Mr. Benjamin in this article ascribes all of the responsibility—not all but a substantial part of it to one Allen A. Zoll of New York, who wrote a statement about progressive education which is printed in this report, and which is certainly an entirely proper statement for any person to make—Benjamin says that statement by Allen Zoll took over the entire controversy and had a decisive influence. Mr. Benjamin sent an investigator to Pasadena to inquire into this case, a Mr. Skaife, of the National Education Association. Mr. Skaife inquired into this case and found the charge about Allen Zoll was unsubstantiated and nonfounded and rendered such a report to the National Education Association before Mr. Benjamin delivered this false attack on the people. I think that is an important example of propaganda activity by a tax-exempt organization, namely, the National Education Association.

There is more to this story of the smearing of American people by tax-exempt groups. I have one here which is a true copy of a letter sent by this Commission for the Defense of Democracy Through Education of the NEA. It is called Inquiry Into Unjustified Attacks on Public Education, A Questionnaire. I wish to have this put in full in the transcript. In the interest of saving time I will not read it all. This document was sent to approximately 15,000 school teachers and administrators throughout the country to gather evidence against the people who were protesting conditions in the schools. It asks for information about the forms of attack being made, such as failure to teach the three R's, too many frills, and fads, the high cost of schools, improper textbooks, insufficient emphasis on United States history and the Constitution.

Mr. HAYS. Who sent this out?

Mr. SARGENT. The National Education Association officially.

Mr. HAYS. Could I see it?

Mr. SARGENT. Yes. That is a true copy of the original. They are gathering evidence on people opposed to school conditions obviously for the purpose of organizing an attack on the people who do not agree with them.

Mr. HAYS. That is what you say.

Public education is under fire today in many quarters. During recent months some of the most damaging attacks have been on the public schools at the local community level.

While educators do not object to construtive criticism designed to improve schools, they are growing concerned over unjustified criticisms and misleading propaganda put out by individuals and groups whose motives are suspect.

As evidence has accumulated from a number of communities across America, we have felt increasing need to get a full national picture of attacks on education. It is not clear yet as to whether these attacks have been concentrated only in a relatively few communities or are part of a widespread pattern.

One aim of this questionnaire is to get a national picture of the breadth and concentration of recent unjustified attacks on public education.

You might conceivably find fault with that because they are saying they are unjustified. I have never seen this before. Here are some questions. You read some. I have not even looked at this. I will read the first one and see what it says:

1. Have organizations, clubs, societies, groups (or individuals representing them) attacked the public schools or public education in general in your com-

munity Answer Yes, No. If so what year or years did the attack or attacks occur?

2. If your answer to the above is Yes, please name the organizations. After each one identified, indicate by N, S, or L, whether you believe it is a National, State, or local organization.

3. If education has been attacked in your community since 1948, has the attack been brought to a head over some issue (e. g., bond or tax rate election) concerning school costs? Answer Yes or No.

In your opinion is the principal motive for the attacks in your community a desire on the part of certain persons to reduce school costs regardless of the damage done to the school program and the welfare of children? Answer Yes or No.

I believe you read the next one?

Mr. SARGENT. Some of them. It is all going into the record.

Mr. HAYS (reading):

5. Check any of the following forms of attack on the public school program which have appeared in your community:

a. Failure to teach the three R's adequately.
b. Too many frills and fads.
c. The high cost of public schools.
d. Improper textbooks.
e. Progressive education.
f. Subversive teaching.
g. Failure to teach moral and spiritual values.
h. Communistic teaching.
i. Insufficient emphasis on United States history and the Constitution.
j. Indoctrinating children with the blessings of the welfare state.
k. Teaching Socialism.
l. Other forms (please explain).

6. The following are pamphlets presenting drastic criticism of public education. After each please check appropriate columns.

Have Heard of
Have Read
Has circulated in this area.

(a) They want your child!
(b) Must American Youth Be taught that Communism and Socialism are superior to Americanism?
(c) How Red are the schools?
(d) Progressive Education Increasing Delinquency.
(e) Private schools: The answer to America's educational problem.
(f) How Red is the Little Red Schoolhouse?

7. Have any other pamphlets attacking the public schools been circulated in your community? Answer yes or no.

8. If the answer is yes to the above question, please give titles, sponsoring organizations, and indication of contents (if you have extra copies, we will appreciate your sending one to us).

9. Has information concerning any of the following organizations come to your attention?

a. National Council for American Education.
b. Pro America.
c. Committee for Constitutional Government.
d. America's Future, Inc.
e. Friends of the Public Schools.
f. Consitutional Education League.
g. American Educational League.

If so, from what source did this information come to you?

The CHAIRMAN. The questionnaire will be printed in the record in full.

(The questionnaire referred to follows:)

INQUIRY INTO UNJUSTIFIED ATTACKS ON PUBLIC EDUCATION

A QUESTIONNAIRE

Public education is under fire today in many quarters. During recent months some of the most damaging attacks have been on the public schools at the local community level.

While educators do not object to constructive criticism designed to improve schools, they are growing concerned over unjustified criticisms and misleading propaganda put out by individuals and groups whose motives are suspect.

As evidence has accumulated from a number of communities across America, we have felt increasing need to get a full national picture of attacks on education. It is not clear yet as to whether these attacks have been concentrated only in a relatively few communities or are part of a widespread pattern.

One aim of this questionnaire is to get a national picture of the breadth and concentration of recent unjustified attacks on public education. The other aim is to determine the characteristics and features of attacks on public schools as they have occurred in various communities.

A superintendent of a large school system recently wrote to NEA as follows:

"For a period of 30 years I have been in public-school work, the first 10 as a teacher, the second 10 as a supervisor, and the third 10 as a superintendent, and while I have observed, in some instances, direct forces working against the school program, I have never observed as organized an effort as seems to be prevalent in communities at the present time."

This study has been approved by the executive committee of the National Education Association.

Your cooperation in completing this questionnaire will serve our profession and the institution of free public schools in America. National Commission for the Defense of Democracy Through Education, National Education Association, 1201 16th Street NW., Washington 6, D. C.

Please note: You will not be quoted directly except with your express consent.

SECTION 1

Your name.
Your position.
Your community and State.
Your school system (please check).
Is your school system a city?
A county or parish?
Other type?
Approximate number of pupils enrolled in your school system during 1949–50.

SECTION 2

Please answer the following and comment wherever possible:

1. Have organizations, clubs, societies, groups (or individuals representing them) attacked the public schools or public education in general in your community? Yes__ No__.

If so what year or years did the attack or attacks occur?

2. If your answer to the above is yes, please name the organizations. After each one identified, indicate by n. S. or l, whether you believe it is a national, State, or local organization.

3. If education has been attacked in your community since 1948, has the attack been brought to a head over some issue (e. g., bond or tax rate election) concerning school costs? Yes__ No__.

4. In your opinion is the principal motive for the attacks in your community a desire on the part of certain persons to reduce school costs regardless of the damage done to the school program and the welfare of children? Yes__ No__.

5. Check any of the following forms of attack on the public school program which have appeared in your community:

a. Failure to teach the three R's adequately.
b. Too many frills and fads.
c. The high cost of public schools.
d. Improper textbooks.
e. Progressive education.
f. Subversive teaching.
g. Failure to teach moral and spiritual values.
h. Communistic teaching.
i. Insufficient emphasis on U. S. history and the Constitution.
j. Indoctrinating children with the blessing of the welfare state.
k. Teaching socialism.
l. Other forms (please explain).

6. The following are pamphlets presenting drastic criticism of public education. After each please check appropriate columns.

(Column 1 headed) : Have heard of—
(Column 2 headed:) Have read—
(Column 3 headed) : Has circulated in this area—

(a) They Want Your Child!
(b) Must American Youth Be Taught That Communism and Socialism are Superior to Americanism?
(c) How Red Are the Schools?
(d) Progressive Education Increasing Delinquency.
(e) Private Schools: The answer to America's educational problem.
(f) How Red Is the Little Red Schoolhouse?

7. Have any other pamphlets attacking the public schools been circulated in your community? Yes __ No __.

8. If the answer is "Yes" to the above question, please give titles, sponsoring organizations, and indication of contents (if you have extra copies, we will appreciate your sending one to us) :

9. Has information concerning any of the following organizations come to your attention?

(*a*) National Council for American Education.
(*b*) Pro America.
(*c*) Committee for Constitutional Government.
(*d*) America's Future, Inc.
(*e*) Friends of the Public Schools.
(*f*) Constitutional Education League.
(*g*) American Educational League.

If so, from what source did this information come to you?

10. Please name any of the above organizations which you believe attempted to influence attitudes and action with regard to public education in your community:

11. Have attacks in your community or area—

(*a*) Condemned an enriched, permissive school program and advocated a simpler, less flexible program in which students "survive" to the degree that they learn formal subject matter under conditions emphasizing competition?
(*b*) Involved ideological criticism of the democratic philosophy as American educators commonly understand it?
(*c*) Attempted to undermine the reputation of national educational leaders (Dewey, Kilpatrick, etc.) professional organizations (NEA, AASA, etc.) or teacher training institutions?
(*d*) Received any unusual help from the press in developing their campaign?
(*e*) Borne any relationships to parochial and private school interests?

12. To what extent do you think these attacks have been hurtful to the schools? (Check one:) Very hurtful ☐. Hurtful ☐. Not especially hurtful ☐. Beneficial in that they backfired ☐.

13. Have the public schools in your community or area received help from any local community organizations in meeting attacks or major criticisms as they have occurred? Yes __ No __.

14. If your answer to the above question is "yes" please name these organizations and indicate briefly how they have helped:

15. What measures are you taking, or have you taken, in your community to forestall or offset attacks against the program of public education?

16. How successfully do you feel these measures to be?

17. Please add any comments which will be helpful in interpreting what you have indicated above or which supply information that you think is pertinent.

Please return this questionnaire as soon as possible to: National Commission

for the Defense of Democracy through Education, National Education Association, 1201 16th Street NW., Washington 6, D. C.

A self-addressed enveloped is enclosed for your convenience. Your cooperation is deeply appreciated.

Mr. HAYS. Go on and read it, but it seems to me it is an attempt to find out what is going on.

Mr. SARGENT. It is an attempt to gather evidence for the purpose of lobbying and interfering with the local jurisdiction of school authorities, and this is a tax-exempt corporation engaging in that lobbying activity. It is not their business whether the people in Pasadena like their superintendent.

Mr. HAYS. I won't debate that question with you.

Mr. SARGENT. It isn't.

Mr. HAYS. But it is certainly the business of national organizations of teachers and principals to know what attacks are made on the institutions which they work in and represent and a mere fact-finding questionnaire to get that information—this committee sent out a lot of questionnaires to universities all over the country asking what grants they got from foundations, whether they had been refused, and so on. Some of them didn't like it.

Mr. SARGENT. That is not the half of it. The NEA officially interfered with the Pasadena school controversy. Mr. Willard Given, the executive secretary of the NEA, offered a resolution before the United States Commission for UNESCO condemning the people of Pasadena for firing Superintendent Goslin. Do you know that?

Mr. HAYS. I don't know. Maybe he was justified.

Mr. SARGENT. He did. The lobbying was carried to UNESCO; a speech on that subject was delivered by Mr. Lawrence C. Lamb, a member of the Pasadena School Board, protesting this interference with the integrity of the school system in the August 1, 1951, issue of Vital Speeches. I asked for a Library of Congress copy, and unfortunately the page containing this particular article seems to have been torn out, so I will have to ask leave to put in an excerpt in the record later. I think it is important. I will get it later. That is the fact. He went all the way to UNESCO to interfere with Pasadena's jurisdiction and the school board member I named protested that it had come to a point where the national propaganda hopped on the back of local citizens trying to run their school affairs in their own way.[1]

Mr. HAYS. Was everybody in Pasadena unanimous about this thing, or was there some controversy?

Mr. SARGENT. There was controversy. It was their right to be right or wrong, and not to be interfered with in arriving at the conclusion, right or wrong.

Mr. HAYS. There was controversy?

Mr. SARGENT. Certainly there was extensive controversy.

Mr. HAYS. There were two sides to the question?

Mr. SARGENT. Yes. But it was the duty of the NEA to take neither side.

Mr. HAYS. I don't know whether it is up to you to say what the NEA's duty is. It is your opinion.

Mr. SARGENT. It is lobbying, however.

[1] The speech of Mr. Lawrence C. Lamb, referred to by the witness, appears following his testimony at p. 403.

Mrs. PFOST. This questionnaire, however, indicates they are trying to tell California what to do.

Mr. SARGENT. They certainly are.

Mrs. PFOST. In the questionnaire?

Mr. SARGENT. Not the questionnaire alone, but the information obtained from it was to be used for that purpose and is used for that purpose.

Mrs. PFOST. How widely did the circular become circulated?

Mr. SARGENT. Fifteen thousand copies throughout the Nation.

Mrs. PFOST. It was not circulated only in California?

Mr. SARGENT. No, throughout the country. All principal districts, about 15,000 of them.

Mrs. PFOST. I wanted to ask further, do you think these questions in this area are out of line, that the National Education Association should not concern themselves with this subject?

Mr. SARGENT. I think they are intended to obtain evidence to use in interfering with school jurisdiction. They are trying to get, to use a colloquial expression, the dirt on certain groups they want to get after and oppose. These organizations, Pro America, for example, a highly respected organization, why do they want to know what Pro America is doing about this thing?

Mr. HAYS. I don't know anything about Pro America. That is a good catchy title. But are you familiar with the organization, Friends of the Public Schools?

Mr. SARGENT. I know there is such an organization with an office in Washington.

Mr. HAYS. Do you know anything about it?

Mr. SARGENT. They have issued bulletins.

Mr. HAYS. They are anti-Catholic.

Mr. SARGENT. I don't agree with their stand.

Mr. HAYS. But you don't think it is all right for them to inquire about them?

Mr. SARGENT. I think they have a civil right.

Mr. HAYS. I think they have a civil right, but a duty to find out if such organizations as that are propagandizing teachers. I get their pamphlet. I don't subscribe to it. They sent it free. I file it in file 13. I have read enough to know it is an antireligious, bigoted outfit.

The CHAIRMAN. Since Pro America has been referred to, I am familiar with the organization, Pro America. It is concentrated very heavily in California. It is composed of very fine ladies and is an entirely patriotic and civic organization, and so far as I know, no criticism has ever been leveled against the organization known as Pro America.

Mr. SARGENT. They also want to know whether people protest about indoctrinating children with the blessing of the welfare state and with communistic teaching. I have yet to see any evidence of anything really effective that the NEA has done aside from adopting resolutions about Communists not teaching to effectively combat the indoctrination such as contained in these books sponsored by them.

In any event, they have been actively interfering. They have been doing much more than gathering information.

Mr. HAYS. Are you inferring from that statement that the NEA is pro-Communist?

Mr. SARGENT. That the NEA is governed by a so-called liberal clique following the liberal line. I didn't say Communist.

Mr. HAYS. Is your definition of liberal the same as the letter I got the other day which said beware of these people putting the tag of liberal to you, because a liberal is a "non-dues-paying Communist." Would that be your definition of it?

Mr. SARGENT. Some are and some are not.

Mr. HAYS. But you think anybody that has any liberal ideas is a little suspect?

Mr. SARGENT. No; I don't think that. There is a definite philosophy of education in public affairs. In general the League for Industrial Democracy crowd and the John Dewey-Kilpatrick faction in Teachers College, who have succeeded in getting their particular views made really an educational line through control of the National Education Association, and they are promoting it and defending it.

Mr. HAYS. Do you think the NEA ought to be listed as a subversive organization?

Mr. SARGENT. No; I don't think so at all. I think their propaganda activity should be very extensively inquired into. They lobby for legislation. They have a legislative committee. They are infringing on the jurisdiction of the local authorities of our school system, and impairing the integrity of that organization.

Mr. HAYS. What about your organization, the Sons of the American Revolution? Do they do any lobbying?

Mr. SARGENT. They propose some patriotic measures from time to time which is their right. That is within their charter.

Mr. HAYS. Anything they propose is patriotic?

Mr. SARGENT. It is designed to do with things like national defense exclusively, and the Constitution, as far as I recall.

Mr. HAYS. What about the posters they had at the convention about Bishop Oxnam and the hammer and sickle?

Mr. SARGENT. I don't know anything about the incident.

Mr. HAYS. I understand quite a few of them disavowed the thing, but some of the more extreme people sponsored it and had it there.

Mr. SARGENT. Every large organization has people with varying views. Another pamphlet here showing the extent of this organized attack on the American people who do not like school conditions is a pamphlet entitled, American Education Under Fire. The author stated on the cover is Ernest O. Melby. This pamphlet states that it was prepared with the cooperation of Mary Beauchamp, Prof. Thodore Brameld, Prof. Herbert Bruner, New York University; Prof. David K. Berninghausen, secretary, Committee on Intellectual Freedom, American Library Association; Prof. H. Gordon Hullfish, Ohio State University; Richard Barnes Kennan, executive secretary, National Commission for the Defense of Democracy through Education, Washington, D. C.

Mr. HAYS. Right there, I want to ask you a question. What is wrong with Dr. Hullfish?

Mr. SARGENT. I am not saying anything is wrong with him. I am saying he sponsored the pamphlet.

Mr. HAYS. Is there something wrong with the pamphlet?

Mr. SARGENT. It is a one-sided case of the presentation of the attack of people against the schools. Yes, I do. I don't know anything about Hullfish at the moment.

Mr. HAYS. I have a suggestion, and I suppose I will have to put it in the form of a motion. I have had a slight contact and acquaintance with Dr. Hullfish, and I would like to subpena him. It is a reasonable request, and I want to have him say something about these things. I don't know what he will say. He won't be primed.

The CHAIRMAN. The chairman has no objection to subpenaing Dr. Hullfish, but I think it is inadvisable to go about this subpenaing on a hit-or-miss basis.

Mr. HAYS. If we have not gone about the hit-or-miss business now, I will put in with you so we might continue that.

I make a point of order that the House is in session and the committee has no right to sit.

The CHAIRMAN. Do you think you may be able to conclude this afternoon?

Mr. HAYS. I don't know whether you will reconvene or not. May I say that you have to have permission of the House to sit? I am going to object. I think the minority has a right to have it in the record that they want a few people to come in here that are available. If you will brush it aside, then I will adopt the policy of hindering the operation as much as possible because it is one-sided. I want to bring in some people and if you want to have a conference and agree to it, I will withdraw my objection.

The CHAIRMAN. There is no disposition to shut off anybody that wants to come or no disposition not to subpena anybody——

Mr. HAYS. I will modify that to invite Dr. Hullfish because I don't think you will have to subpena him.

The CHAIRMAN. To round out the study.

Mr. HAYS. I would like to make this statement, Mr. Chairman. I was advised that after the first day when I began to question this witness to the displeasure of some people that from here on in I was told—and I have it on good authority—that Ohio State was going to be cracked whenever they got a chance, and whatever professors could be dragged in. That statement was made by somebody out in the audience who was feeding information. I am going to be put in the position right now of saying that as far as Ohio State is concerned, it is run largely by a Republican board of trustees, but you are not going to let anybody come in here and smear it.

The CHAIRMAN. What present disposition would you have that I would be prejudiced against Ohio State University, Ohio State, and citizens?

Mr. HAYS. I don't say you are. I want you to agree to let me bring in some people.

The CHAIRMAN. I was long a friend of Ohio. In the first instance, I served in the 166th Infantry Ohio Regiment of the Rainbow Division. I have many friends in Ohio. My closest political associates have been from Ohio, I am glad to say, on the national level. My entire contact with Ohio University—Ohio State University—has been such as to inspire the greatest confidence. But that I am not referring to every individual that might be connected with Ohio State University. So there is no basis whatever for the suggestion so far as this committee is concerned. I am confident that the mere fact that somebody in the audience may have passed up such a statement—I would very much appreciate those statements not being interjected.

Mr. HAYS. Mr. Reece, I did not interject Dr. Hullfish's name into this hearing. I am trying to protect him from any inference that there is something wrong with him.

Mr. SARGENT. I did not interject him. I am reading an entire list. I have referred to Ohio State always with some matter that included it. I mentioned other names with equal impartiality and I will continue to do that.

Mr. HAYS. I have not heard you mention any suspects at Tennessee.

The CHAIRMAN. If he finds them, I will want him to mention that.

Mr. HAYS. I guess he can find them.

The CHAIRMAN. The committee will recess until 2 o'clock in the hopes we can finish.

(Thereupon, at 12 o'clock noon, a recess was taken until 2 p. m. the same day.)

AFTERNOON RECESS

The CHAIRMAN. Will the committee be in session?

You may proceed.

TESTIMONY OF AARON M. SARGENT, ATTORNEY, SAN FRANCISCO, CALIF.—Resumed

Mr. SARGENT. At the session this morning there was——

Mr. HAYS. Before you get started so I won't interrupt any statement, and if you can't remember exactly what you said I have asked them to bring up the transcript, but you mentioned Mr. Allen Zoll, and do you remember what you said about him?

Mr. SARGENT. I said in substance that they had referred to a pamphlet written by him which had been distributed to some extent in connection with the Pasadena school controversy, a pamphlet——

Mr. HAYS. This is all new to me. You say "they" had referred. Whom do you mean?

Mr. SARGENT. Some of the various people, NEA among others. The statement that Harold Benjamin made, this report on it refers to Zoll's pamphlets and denounces this and what happened in Pasadena as being an affair instigated by Allen Zoll, and charged directly it was. The NEA's own commission investigated and found out that Zoll did not instigate it and his writings had very limited effect on it. Zoll has been very extensively smeared, and they have been attempting to smear many other people through Allen Zoll.

Mr. HAYS. Let me ask you this: You wouldn't consider an Attorney General's listing as a smear, would you? You have cited numerous people who have been on the Attorney General's list yourself and I haven't challenged you and said you are smearing them.

Mr. SARGENT. I am not smearing them.

Mr. HAYS. Let me read you what I got from the Attorney General.

Mr. SARGENT. I know all about it.

Mr. HAYS. But perhaps the audience doesn't and so I will read it.

This came from Mr. William Foley, head of the Internal Security Affairs Office, of the Office of the Attorney General, Department of Justice.

Mr. Zoll has been disclosed and he himself has disclosed that he is the founder and national president of the American Patriots, Inc.

This organization was designated by the Attorney General and still is a Fascist organization. In 1939, he was arrested for attempt to extort money from the president of a radio station which had refused Father Coughlin the right to speak on that radio station. He, Mr. Zoll, caused a picket line to be thrown around that radio station. This information was in the New York Times of July 2, 1939, July 8, 1939, and September 13, 1939. The picket line was thrown around the radio station for the same reason as above.

Mr. Zoll attended a luncheon at which Mr. Fritz Kuhn, head of the German-American Bund, was guest speaker in 1938. Mr. Zoll has been reported by newspapers as being very active in association with the Christian Front which is an anti-Semitic group.

Mr. Zoll was also cosponsor for meetings with Gerald L. K. Smith.

Now you say this is the fellow they tried to smear?

Mr. SARGENT. No, I say that they tried to smear the people at Pasadena through the things you have told us about Allen Zoll. And to represent that Allen Zoll was instigating the whole performance.

Mr. HAYS. But you did put pamphlets out?

Mr. SARGENT. He had some literature, and some people bought the literature, and it is well written, and there is nothing objectionable in the literature, and the California legislative committee found the literature was not objectionable or Fascist or improper in any way.

Mr. HAYS. But you have cited a bunch of people here, all through your testimony, and inferred if they were on Attorney General's subversive list, that was sufficient prima facie evidence that everything they said or did, past, present, or future, was bad.

Mr. SARGENT. I have not referred to that.

Mr. HAYS. If we are going to use that definition, I think we ought to apply it to everybody.

Mr. SARGENT. I don't think I have referred to the Attorney General's list at all from the time I landed here until now.

Mr. HAYS. You say they are on lists. And haven't you testified and read that so and so belonged to 136 Communist-front organizations?

Mr. SARGENT. The list I gave was from the House Un-American Activities Report, appendix IX of 1944. I gave the Zoll incident for a definite reason. Zoll has been very, very extensively smeared, and I personally don't know the merits of it one way or the other; but I do know the people of Pasadena had nothing to do with the affairs of Mr. Zoll and I also know that the National Education Association investigated and talked to Willard Goslin, and reported in writing to Washington that the Zoll story, as applied to the people of Pasadena, was false and had no important influence on the case.

After receiving that information, Harold Benjamin launched an attack on the people of Pasadena in his report to the enemy.

Mr. HAYS. Who is Harold Benjamin?

Mr. SARGENT. He is connected with this defense commission, so-called, of the National Education Association, and he vilified the people of Pasadena knowingly after his own investigating agent was down there and found that the charge was false.

Mr. HAYS. That is a pretty serious charge.

Mr. SARGENT. I saw the report, Mr. Hays.

Mr. HAYS. But you just said that he vilified the people of Pasadena knowingly, is that right?

Mr. SARGENT. He tried to tag the Zoll story——

Mr. HAYS. Didn't you just say that?

Mr. SARGENT. Yes, and it is true.

Mr. HAYS. Now, then, Mr. Chairman, I would like to have an agreement that we call in Mr. Benjamin and ask him about this.

The CHAIRMAN. Well, without passing or making an expression about the advisability of whom we should or shouldn't call, I don't think it is in the interest of good procedure to just sit here and miscellaneously say we are going to call first one and then another.

Mr. HAYS. In the interest of fair presentation, these people have been mentioned very unfavorably, and I don't know whether it is true or not; but it seems to me the only way you are going to get an objective picture is call them and let them testify.

The CHAIRMAN. We haven't heard from Mr. Sargent yet. It may be that he will want to testify, and anybody that has been unfavorably mentioned, and desires to testify, my own feeling is should be permitted to testify.

Mr. HAYS. May I ask you this——

The CHAIRMAN. Those who do not express a desire to testify, if the committee feels that their testimony is important, in developing the full story, then they should be required to testify.

Now that is what I feel should be the guide.

Mr. HAYS. Mr. Chairman, here is the situation: We are allowing Mr. Sargent here to go on at great length, and I have shown no disposition to limit him, and, in fact, I have told you that I will try to accommodate myself to be here as long as he desires to talk.

But when I say that I would like to hear from some of these other people, I sort of get a general sluffing-off and let-us-put-it-off attitude, and you know as well as I do that the committee has limited funds.

And I think that you will agree with me, in public, that there wouldn't be a Chinaman's chance now of getting any more funds from the Congress, after the first 3 weeks of this.

When we run out of money, we are through. I just would like to hear a few of these people who may have been smeared and/or at least they may think they may have been smeared.

The CHAIRMAN. It isn't the intention of the chairman of the committee to request the committee to request additional funds of the Congress. But if it is and funds should be required and the committee should request it, I have confidence that the Congress might favorably consider the request.

But that is not indicated at the present time. Also, I feel that there would be ample funds to complete this full investigation, and go through with the complete and full hearings so that nobody is going to be shut off because of lack of funds.

Mr. WORMSER. May I make a suggestion, Mr. Hays?

I have tried to make clear to the attorneys for the major foundations that we would suit their reasonable convenience in the calling of witnesses. I suggest that they be asked what witness they would like to have. After all, we want to reserve as much time for them as we can.

Mr. HAYS. Do you have any objection if I invite Mr. Benjamin to appear and he accepts?

Now, that ought to be a fair thing. I am not even going to ask you to subpena him. Let us invite him. You don't have any objection to

inviting him, and you keep saying everybody is invited and let us get specific about it.

The CHAIRMAN. My thought is, as I say, that anyone that has been unfavorably mentioned, if he desires to appear, he will have opportunity to appear. Anyone that the committee feels should appear, in order to develop the full story, will be or should be subpenaed to appear.

Mr. HAYS. Mr. Chairman, you sit there with three votes in your pocket, and so it just boils down to who you feel should appear. I am asking you pointblank: Can we have Mr. Benjamin?

Before we get on to that, I believe we had an agreement before lunch that Dr. Helper should be invited.

The CHAIRMAN. That is right.

Mr. HAYS. And I also would like to have Mr. Benjamin invited. If he declines, I will say no more about it.

The CHAIRMAN. Suppose we discuss that, and we will work these things out. We are not going to have any trouble in reaching a decision about who should be called.

Mr. HAYS. We are having a lot of trouble to get you to say Mr. Benjamin can come.

The CHAIRMAN. You bring these requests up in such a way that you are impugning the good intentions of somebody, unintentionally or otherwise, that the chairman is not going to do the fair and objective thing. Therefore, in public session you have to get him nailed down on something.

I don't think that that is a dignified procedure. The chairman certainly has shown no disposition to want to cut anybody off. I think we can say that anybody that you upon reflection feel should be called that arrangements will be made to call them.

Mr. HAYS. I am not impugning anybody's motives. But when you say that I have to nail things down, let me say this: That if past experience has showed me that I better nail them down, that is the way I am going to do it.

The CHAIRMAN. Now, you are getting——

Mr. HAYS. I am not being a bit personal. I will say that I didn't mention you, but if you want to put the shoe on, I can't help it.

But in my lifetime, let me say that I have noted that if you get things nailed down there is hardly any arguments about who said what and who didn't say what, and who we promised to bring in and who we didn't.

As far as being fair and impugning anything, let me say to you that you have brought this witness in and I didn't know that he was to be brought in until 2 or 3 days before. I had no knowledge that the staff was going to bring this witness in and I didn't object to it.

We have heard him for a long, long time. I think we could dispense with Dr. Hullfish, Mr. Benjamin, Ed Murrow, and a few more of them, all put together in the amount of time he has had.

I don't think that that would be unfair.

The CHAIRMAN. Now, I think the references that you made which might very well be inferred, and you made references to the chairman, is quite uncalled for. But still, that is not going to ruffle me in the least.

Mr. HAYS. I am not trying to ruffle you, I am trying to get an agreement we call Mr. Benjamin in.

The CHAIRMAN. During my many years on the Hill, I have gone on the theory when you are dealing with Members of Congress you are dealing with gentlemen. And I hope my experinece will not cause me to feel otherwise.

Mr. HAYS. Let us not deal in inferences. If you feel that way, why don't you just say so. I am a pretty outspoken fellow and I don't make any inferences.

Any time you said I have made an inference, and it is no inference, and so if you are trying to say now that I am not a gentlemen, just say so. That is the way to do that.

The CHAIRMAN. I don't use the kind of language that has been used here, myself, that is not in my character, except under purposes of great provocation.

Mr. HAYS. I imagine you were greatly provoked when you said some of the things you did about some of the eminent Republicans in your speech on the floor, about the Ford Foundation having prominent Communists in it, and so on.

You see, I am in a very anomalous position here. And I am only trying to have fair play and to protect you might say the moneyed wing of the Republican Party by an attack from another wing of the Republican Party. I don't suppose I will get much gratitude, but I have a tremendous sense of fair play.

If I am going to referee the fight between one group of Republicans and another one, I think I ought to have a little bit of leeway about who would we call in as witnesses. I am trying to be the referee.

If there is going to be any bloodletting, I want it to be done under fair circumstances.

The CHAIRMAN. I feel under great obligation to you standing in the position of referee.

Mrs. PFOST. Where does this Mr. Benjamin live? What is the residence?

Mr. SARGENT. I presume it is Washington, D. C. He is connected with or the last I heard he was connected with the National Commission for Defense of Democracy of NEA. I think he works out of National Headquarters. I don't know for sure.

Mr. WORMSER. May I just put this before you——

Mr. SARGENT. He is from the University of Maryland.

Mr. WORMSER. Mr. Chairman, this may be of some help to us.

In studying what should go in our rules of procedure, I studied the rules of other committees, and also the lectures of professors, and what not. And some of them recommended a rule that where a person was referred to by a witness as a subversive, he should be notified of that fact and given an opportunity to come in and say whether he was or not.

That of course is an easy case. But here if a witness calls a man a McKinley Republican or another witness calls a man an FDR Democrat, I question and I will leave it to you whether those fellows, whether it is worthwhile calling them in and asking him if he is a Southern Democrat instead of an FDR Democrat or McKinley Republican.

In other words, clearly if the witness has something to contribute on the purpose of foundations, then clearly they should be subpenaed. But if they are just, shall we say, modestly embarrassed by being called, let us say, a McKinley Republican, should we go to the trouble

of always inviting them in to say whether he is or he is not or should we restrict it to the question if he is called a subversive? I definitely say that this committee should invite him and tell him of the fact and invite him to come in any say whether he is or he is not.

Mr. HAYS. Well, of course, the testimony that Mr. Sargent has given, a great deal of it, has implied many things. But when you try to pin him down, he is very careful to back up and say, "Well, I didn't call him so and so."

But by implication, you can call people a lot of things.

Now, the reason I asked for Mr. Benjamin specifically is that I understand he is an official of the NEA, and certainly the NEA has been given a pretty rough time in Mr. Sargent's testimony. And I would like to get Mr. Benjamin, and perhaps maybe somebody else from the NEA, because you know out where I live the NEA, all of the teachers in my district practically belong to the NEA; they are respectable people, and I don't like to have them maligned by inference through an organization that they belong to.

I am not going to sit here quietly and let it be done, if these hearings drag on until Christmas.

The CHAIRMAN. It is expected that someone from the NEA will be called.

Mr. HAYS. You keep saying "it is expected," and I want to tie it down.

The CHAIRMAN. It should be the appropriate one that is representative of the NEA.

Mr. HAYS. I kept hearing that "it was expected" we would start these hearings every week from January on; but we didn't get them started. An so I just feel that I would like to get a few things tied down so we know where we stand, that is all.

Mr. SARGENT. May I proceed with this?

Mr. HAYS. Don't get too excited—you may not get too excited—I am going to make a point of order that the committee is out of order, and the House goes in session and we have no permission to sit.

Mr. SARGENT. I am here to try to finish this afternoon.

The CHAIRMAN. You kept hearing after January that the committee was going to have hearings and it is having hearings.

Mr. HAYS. It took a long time to get at them.

The record will show if the rules are changed, and as I have said, I have had them changed in the middle of the game before.

The CHAIRMAN. I would not get excited about that.

Mr. HAYS. I didn't even get excited when a person came in my office today and said that I worked for a Republican Congressman. And I think that you ought to know this. It just revolts me that there was a discussion in our office this morning about the Republican National Committee was going to double the amount of money that they spend against you the last time and that you are getting too obnoxious, and how they spent $33,000 the last time, the Republican National Committee put in $8,000.

Now I suppose they are going to double that $8,000, but you know the funny part of it is that the people of my district, Mr. Reece, have never had any inclination to pay any attention from outsiders, and I get a lot of Republican votes in spite of all of this outside money. I got it the last time.

The CHAIRMAN. I have no information on the subject about which you are talking.

Mr. HAYS. I am giving you some.

The CHAIRMAN. I am glad to have the information.

Thank you very, very much indeed.

You may proceed.

Mr. SARGENT. As far as Mr. Allen Zoll is concerned, he is a man who has been very extensively smeared, either justly or unjustly, and I am not familiar with the facts.

I have not read the various citations involved here, and I don't know one way or the other. The charges may be true or they may be untrue, or they may be partly true or partly false. I have not referred here in any instance to the record of any person except on the basis of my personal examination of the record that I have referred to.

I am only interested in the Zoll incident from one standpoint, that is, that the known smear which had highly developed proportions was applied through the report on the enemy of Harold Benjamin.

Mr. HAYS. You can smear a Fascist, you mean it is possible?

Mr. SARGENT. You can drag a Fascist, someone Fascist or non-Fascist, you go drag that record in on a community and attempt to show that the community is backing the man himself and smear people who are in no way connected with what the original source may be, that is what happened here.

Mr. Benjamin dragged it into Pasadena where it had no place and a California legislative committee found it didn't have any place. It is another example of this.

Mr. HAYS. When you drag somebody's name into this, you are not smearing them, and you are just being a good patriotic American, like you have done with Dr. Hullfish and others.

Mr. SARGENT. I didn't drag Dr. Hullfish in any derogatory capacity, and I referred to him as one of the people who wrote a pamphlet.

Mr. HAYS. You didn't say that you recommended him?

Mr. SARGENT. I think the pamphlet is unjustified and this is a piece of propaganda.

Mr. HAYS. But saying he wrote an unjustified piece of propaganda isn't smearing him at all. That is just being truthful.

Mr. SARGENT. The propaganda is his own work and I have a right to discuss the man's work. The Pasadena case is not the work of Allen Zoll.

Mr. HAYS. I would like to state right here that there has never been in my experience in a study of history a situation in which a congressional committee has let anyone come in and indiscriminately smear as many people as this committee has let this witness do in the past 3 days.

Mr. SARGENT. My authority here is the report of the California legislative committee under Senator Dilworth's chairmanship. It is the eighth report and I read you from the report, and I read it factually.

Now, there has been reference here to the National Society of the Sons of the American Revolution, of which I am a member. I think, in justice to that organization and in view of the reference that I am entitled to read a statement of their position on this subversive teaching question. It is a resolution adopted at their national congress, held at Minneapolis, Minn., May 18, 1952.

It is as follows: By consent I will not read it word for word. I can have the reporter copy it, but I will give you its substance. It is on page 5, column 1, carrying over to the first column on page 6 of the document known as the bill of grievances.

It states in substance that they decided and believe the following to be a true statement of conditions affecting the public schools: That textbooks, subversive textbooks and teaching practices originate from sources that are interstate and international in scope, effective control is beyond State power; that an intelligent and informed public opinion is the only sound method of correcting the evil, and in accordance with American principles.

The public opinion to be effective should be national and should be equal in strength to the subversive influences involved. And that:

An investigation of the kind required should be conducted in a judicial manner as a nonpartisan impartial inquiry sufficiently broad in scope to inform the people as to the nature and extent of the subversive educational problem affecting the public schools in the several States.

That the society has a proper interest in the matter under its charter and that its officers are authorized and instructed to prepare a document for Congress calling for a national investigation of these practices, and to do and perform any acts necessary to have it favorably considered.

The petition so prepared, in accordance with that resolution—known as the bill of grievances—presented to the United States Senate Judiciary Committee and to the House of Representatives, reads as follows:

Be it resolved by the National Society, Sons of the American Revolution, in annual congress assembled:

First: That we do hereby believe and determine the following to be a true statement of the conditions affecting the public schools of many of our States, resulting from the introduction of subversive textbooks and teaching practices:

(*a*) That such textbooks and teaching practices originate from sources which are interstate and national in scope;

(*b*) Effective control thereof is beyond the power and outside the reach of any processes available to the legislature of any one State;

(*c*) Intelligent and informed public opinion affords the only sound method of correcting this evil in accordance with American principles;

(*d*) Public opinion, to be effective in this field should be made national in scope and equal in strength to the subversive influences now affecting our public school system;

(*e*) An investigation of the kind required should be conducted in a judicial manner as a nonpartisan and impartial inquiry, sufficiently broad in scope to inform the people as to the nature and extent of subversive education problems affecting the public schools in the several States;

(*f*) That this society under its charter has a proper and direct interest in this subject, sufficient to justify it in taking action to bring about such an investigation.

Second: That we do hereby authorize and instruct the officers and request the trustees of this society to prepare and submit a petition to the Congress of the United States calling for a national investigation of subversive teaching practices affecting the public schools in the several States to the end that appropriate action may be taken thereon, and to do and perform such acts as they may deem necessary to have such petition favorably considered.

Mr. SARGENT. The organization of which I am a member stands behind the sort of inquiry which this committee is carrying on.

In the interest of clear thinking and also fairness, I think we should state here, my testimony has, as you recall been confined entirely, I think, to the 3 foundations. The Big Three, I think I called them. That is Rockefeller, Carnegie, and Ford.

Two of those or they all have ramifications of one sort or another, and I have not referred to all of them. Rockefeller has 3, the Rockefeller Foundation, the General Education Board, and the International Education Institute. Carnegie, as you know, has the Carnegie Corp. of New York, which is the one that sponsored that survey, $300,000 survey on conclusions and recommendations. It also has a Carnegie Endowment for International Peace. And the Ford Foundation has a giant fund with many subcorporations.

When I say the foundations, unless otherwise indicated, I mean someone or more of that group. They are the money power behind the condition, propaganda condition and other conditions you are inquiring into.

I think it should be understood that there are areas not included in the present scope here, areas having nothing to do with control of propaganda, and such with which I think that your committee will not be interested, and certainly I am not.

Mr. HAYS. Could you give us just in brief a summary of a paragraph or so, so that we can get it in a condensed form of just what these 3 foundations have done that you object to?

Mr. SARGENT. The Rockefeller Foundation has actively promoted and supported the injection and the propagation of the so-called John Dewey system of experimental education and has aided the introduction of Communist practices in our school system and is defending and supporting the continuance of those practices in the schools.

Mr. HAYS. That is the Rockefeller Foundation?

Mr. SARGENT. Yes, sir, and also the General Education Board and the International Education Institute.

Mr. HAYS. Carnegie has aided it through various grants; both of them incidentally are carrying on a lobby and a very extensive lobby, involving the schools which I will testify about this afternoon.

The Ford Foundation has become the lobby which has interfered or is interfering with the integrity of local schools and is promoting world federalism and world federal government, among other things, and extending its power into many areas capable of being dangerous.

Do you have any strong belief that the Ford Foundation either is Communist or has promoted communism in any way?

Mr. SARGENT. I don't know the specific instances referred to in the chairman's report and I can't testify on my own knowledge, but I understand it has.

But I don't personally know that and I can't testify to it.

Mr. HAYS. Do you happen to have there among your papers a list of the directors of these foundations?

Mr. SARGENT. No.

Mr. HAYS. Does the staff have a list of them?

Mr. SARGENT. I am not attempting to name names. I am talking about action.

Mr. HAYS. This is on my own; I am going off on an expedition here.

Miss CASEY. We have their names as they appear in the latest annual reports we have. I think in most instances that would be 1952.

I think also their letterhead may have the names. However, I am sure these foundations—Carnegie, Rockefeller, and Ford—would gladly give us a list of their officers and trustees from the time they were established.

Mr. HAYS. I am asking unanimous consent to put into the record at this point the list of all the officers and directors of each of these foundations.

The CHAIRMAN. Without objection, it will be so ordered.

(The list of names is as follows:)

CARNEGIE CORPORATION OF NEW YORK, 1911–54

Trustees

James R. Angell, 1920–21, ex officio; president of Carnegie Corp.
Thomas S. Arbuthnot, 1953–52, ex officio; president of Carnegie Hero Fund Commission
Newton D. Baker, 1931–37
James Bertram, 1911–34, life member
W. Randolph Burgess, 1940
Vannevar Bush, 1939, ex officio; president of Carnegie Institution of Washington
Nicholas Murray Butler, 1925–45, ex officio; president of Carnegie Endowment for International Peace
Oliver C. Carmichael, 1945–53, ex officio; president of Carnegie Foundation for Advancement of Teaching
Andrew Carnegie, 1911–19, life member
Mrs. Andrew Carnegie, 1919–29
John J. Carty, 1923–32
Samuel Harden Church, 1914–43, ex officio; president of Carnegie Institute
Lotus Delta Coffman, 1936–38
Charles Dollard, 1948, ex officio; president of Carnegie Corp.
Robert A. Franks, 1911–35, life member
William N. Frew, 1911–14, ex officio; president of Carnegie Institute
William Frew, 1943–48, ex officio; president of Carnegie Institute
John W. Gardner, 1954
Morris Hadley, 1947
William J. Holland, 1922–32, ex officio; president of Carnegie Hero Fund Commission
David F. Houston, 1929–34
Henry James, 1928–47
Walter A. Jessup, 1934–44, ex officio; president of Carnegie Foundation for Advancement of Teaching (1934–44) and of Carnegie Corp. (1941–44)
Devereaux C. Josephs, 1944, ex officio 1945–48; president of Carnegie Corp.
Nicholas Kelley, 1936
Frederick P. Keppel, 1923–41, ex officio; president of Carnegie Corp.
Russell Leffingwell, 1923
George C. Marshall, 1946–50
John C. Merriam, 1921–38, ex officio; president of Carnegie Institution of Washington
Margaret Carnegie Miller, 1934
Frederick Osborn, 1936
Arthur W. Page, 1934
John A. Poynton, 1916–34
Gwilym A. Price, 1953

Trustees—Continued
Henry S. Pritchett, 1911–30, ex officio; president of Carnegie Foundation for the Advancement of Teaching
Elihu Root, 1911–37, ex officio 1911–25; president of Carnegie Endowment for International Peace
Elihu Root, Jr., 1937
Charles M. Spofford, 1953
Henry Suzzalo, 1930–33, ex officio; president of Carnegie Foundation for Advancement of Teaching
Charles L. Taylor, 1911–22, ex officio; president of Carnegie Hero Fund Commission
Charles Allen Thomas, 1951
Leroy A. Wilson, 1948–51
Robert S. Woodward, 1911–20, ex officio; president of Carnegie Institution of Washington

Officers
Chairman of the board:
Elihu Root, 1920–37
Nicholas Murray Butler, 1937–45
Russell Leffingwell, 1946
Vice chairman of the board: R. A. Franks, 1920–35
President:
Andrew Carnegie, 1911–19
Elihu Root, 1919–20
James R. Angell, 1920–21
Henry S. Pritchett, 1921–23 (acting)
Frederick P. Keppel, 1923–41
Walter A. Jessup, 1941–44
Devereux C. Josephs, 1945–48
Charles Dollard, 1948
Vice president:
Elihu Root, 1911–19
R. A. Franks, 1913–20
Charles Dollard, 1947–48
John W. Gardner, 1949
James A. Perkins, 1951
Secretary:
James Bertram, 1911–34
Robert M. Lester, 1934
Treasurer:
R. A. Franks, 1911–35
Robertson D. Ward, 1935–42
C. Herbert Lee, 1942
Assistant to the president:
Beardsley Ruml, 1920–22
William S. Learned, 1922–24
Morse A. Cartwright, 1924–26
Robert M. Lester, 1926–34
John M. Russell, 1934–40
Charles Dollard, 1938–45
Stephen H. Stackpole, 1940–45

Officers—Continued
Executive associate:
Charles Dollard, 1945–47
Oliver C. Carmichael, 1945–53
Pendleton Herring, 1946–48
Whitney H. Shepardson, 1946–53
John W. Gardner, 1947–49
James A. Perkins, 1950–51
Executive assistant:
Stephen H. Stackpole, 1953
William W. Marvel, 1953
Eugene I. Burdock, 1953
Associate secretary: Florence Anderson, 1951
Assistant secretary: Florence Anderson, 1947–51
Assistant treasurer:
Michael Pescatello, 1947
James W. Campbell, 1953
Investment officer:
Barent Lefferts, 1932–46
S. S. Hall, Jr., 1935–40
Parker Monroe, 1935–39
C. Herbert Lee, 1937–47
Michael Pescatello, 1946–47

TRUSTEES OF THE CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, 1910–54

Alexander, Wallace McK. (1935–39)
Anderson, Dillon (1953–)
Bacon, Robert (1913–19)
Ballantine, Arthur A. (1936–50, honorary 1953), member, finance committee (1938–50); member, executive committee (1938–48); chairman, finance committee (1948–50)
Bancroft, Edgar A. (1918–25), member, finance committee (1920–25)
Barrows, David P. (1931–51)
Bell, James F. (1939–42)
Brookings, Robert S. (1910–32)
Bullitt, William Marshall (1933–)
Bundy, Harvey H. (1948–), member, executive committee (1949–); chairman, 1952; vice chairman of the board (1951–52); chariman of the board, 1952–)
Burke, Thomas (1910–25)
Butler, Nicholas Murray (1910–47), director, division of intercourse and education (1911–45); president (1925–45); president emeritus (1945–47); member, executive committee (1911–45); chairman, executive committee (1925–45)
Cadwalader, John L. (1910–14)
Catlin, Daniel K. (1930–51, honorary 1951–54)
Chapin, W. W. (1939–54, honorary 1954)
Cherrington, Ben M. (1943–)
Choate, Joseph H. (1910–17), vice president (1911–17)
Clapp, Margaret (1951–)
Cole, David L. (1951–)

Davis, John W. (1921–50, honorary 1950); vice president (1937–47); acting president (1945–46); chairman, executive committee (1945–46); vice chairman of the board (1947–50)
Davis, Norman H. (1931–43)
Delano, Frederic A. (1920–49), assistant treasurer (1923–29); treasurer (1929–36); member, executive committee (1929–36); member, finance committee (1923–38)
Dodge, Cleveland H. (1910–19)
DuBridge, Lee A. (1951–)
Dulles, John Foster (1944–52), chairman of the board (1946–52); chairman, executive committee (1946–52)
Dunn, Frederick S. (1951–)
Eisenhower, Dwight D. (1948–52)
Eliot, Charles W. (1910–19)
Evans, Lawton B. (1926–34)
Finch, George A. (1940–), assistant secretary (1911–40), secretary (1940–47); assistant director, division of international law (1917–40); associate director, division of international law (1940–43); director, division of international law (1943–47); member, executive committee (1940–46); counselor (1948–50)
Foster, Arthur William (1910–25)
Foster, John W. (1910–17), member, executive committee (1911)
Fox, Austen G. (1910–37), member, executive committee (1911–37)
Franks, Robert A. (1910–35), member, finance committee (1911–35); chairman, finance committee (1921–35)
Fraser, Leon (1938–45), member, finance committee (1938–45); treasurer (1941–42)
Freeman, Douglas S. (1937–53)
Gaines, Francis Pendleton (1933–51), member, executive committee (1937–47)
Gray, George (1915–25), vice president (1918–25)
Gross, Ernest A. (1953–)
Hamlin, Charles S. (1923–38), assistant treasurer (1929–38); member, finance committee (1930–31)
Harrison, Earl Grant (1947–), member, executive committee (1947–50, 1953–)
Heinz, Howard (1926–41)
Hill, David Jayne (1918–32)
Hiss, Alger (1946–50), president (1946–49); member, executive committee (1946–48)
Holman, Alfred (1920–30)
Houghton, Alanson B. (1930–41), treasurer (1936–41)
Howard, William M. (1910–30)
Jessup, Philip C. (1937–), director, division of international law (1940–43)
Johnson, Joseph E. (1950–), president (1950–); member, executive committee (1950–); member, finance committee (1950–)
Kirk, Grayson L. (1953–); member, executive committee (1953–)
Lansing, Robert (1920–28), vice president (1926–28)
Lowden, Frank O. (1923–41)
Manning, Richard I. (1930–31)
Mather, Samuel (1910–19), member, finance committee (1911–19)
Molyneaux, Peter (1934–51)

Montague, Andrew J. (1910–37), member, executive committee (1911–35); assistant treasurer (1917–23); treasurer (1923–29); vice president (1929–37)
Morris, Roland S. (1930–45), member, executive committee (1935–45); assistant treasurer (1938–42); treasurer (1942–45).
Morrow, Dwight W. (1925–30), member, finance committee (1925–28)
Murrow, Edward R. (1951–)
Nelson, Otto L. Jr. (1949–), member, executive committee (1949–)
Nolde, O. Frederick (1951–), member, executive committee (1951–)
Olds, Robert E. (1925–32)
Page, Robert Newton (1920–25)
Parker, Edwin B. (1926–29)
Patterson, Ellmore C. (1951–), chairman, finance committee (1951–)
Percy, LeRoy (1925–29)
Perkins, George W. (1910–20), chairman, finance committee (1911–20)
Peters, William A. (1926–29)
Pritchett, Henry S. (1910–39), member, executive committee (1911–35)
Reed, Philip D. (1945–53)
Rockefeller, David (1947–), member, executive committee (1947–); assistant treasurer (1947–49); treasurer (1949–); vice president 1950–53; vice chairman (1953–)
Root, Elihu (1910–37) president (1910–25); chairman, executive committee (1911–25); member, executive committee (1925–30)
Ryerson, Edward L., (1933), member, executive committee (1951–53)
Schieffelin, W. J., Jr. (1941), member, finance committee (1954)
Schmidlapp, Jacob G. (1910–19)
Scott, James Brown (1910–43), secretary (1910–40); secretary emeritus (1940–43); member, executive committee (1911–40); director, division of international law (1911–40); director emeritus, division of international law (1940–43)
Severance, Cordenio A. (1918–25)
Sheffield, James R. (1919–38), member, finance committee (1920–23, 1988–30, 1931–38); member, executive committee (1923–27, 1930–38)
Sherman, Maurice S. (1926–47), member, executive committee (1935–47)
Shotwell, James Thomson (1925–51, honorary 1951), director, division of economics and history (1924–48); member, executive committee (1927–29, 1948–50); acting president (1948–49); president (1949–50); president emeritus (1950)
Shuster, George N. (1954)
Sibley, Harper (1938), member, finance committee (1948)
Slayden, James L. (1910–24)
Smiley, Albert K. (1910–12)
Smith, Jeremiah, Jr. (1930–34)
Sprague, Charles A. (1954)
Straus, Oscar S. (1910–26)
Strawn, Silas H. (1926–46)
Sutherland, George (1920–25)
Taft, Robert A. (1935–38)
Taylor, Carles L. (1910–22)

Tower, Charlemagne (1910–23), member, executive committee (1911–23; treasurer (1912–23)
Wadsworth, Eliot (1937–51), assistant treasurer (1944–45); treasurer (1945–49); member, finance committee (1945–49); member, executive committee (1945–49)
Wakefield, Lyman E. (1943–45)
Watson, Thomas J. (1934–51, honorary 1951), chairman, finance committee (1935–47); member, executive committee (1936–46, 1948–51)
Waymack, W. W. (1941–), member, executive committee (1946–49)
White, Andrew D. (1910–18)
Williams, John Sharp (1910–22)
Woodward, Robert S. (1910–24)
Wright, Luke E. (1910–18)
Wriston, Henry M. (1943–54)

Carnegie Foundation for the Advancement of Teaching

Trustees

Raymond B. Allen, 1948–
Frank Aydelotte, 1921–53
H. McClelland Bell, 1905–18
William L. Bryan, 1910–38
M. Le Roy Burton, 1915–25
Nicholas Murray Butler, 1905–47
Samuel P. Capen, 1935–50
Oliver C. Carmichael, 1937–
T. Morrison Carnegie, 1905–24
Lotus D. Coffman, 1930–38
Arthur H. Compton, 1946–54
James B. Conant, 1934–53
Edwin B. Craighead, 1905–17
William H. Crawford, 1905–20
Sir Arthur W. Currie, 1927–33
Carter Davidson, 1946–
Arthur H. Dean, 1950–
George H. Denny, 1905–
Albert B. Dinwiddie, 1923–35
Harold W. Dodds, 1935–
Dwight D. Eisenhower, 1950–53
Charles W. Eliot, 1905–09
Edward C. Elliott, 1934–46
Sir Robert Falconer, 1917–32
Livingston Farrand, 1929–39
Frederick C. Ferry, 1920–39
Dixon Ryan Fox, 1939–45
Robert A. Franks, 1905–35
Edwin B. Fred, 1946–
Eugene A. Gilmore, 1938–48
Laurence M. Gould, 1953–
Frank P. Graham, 1932–53
A. Whitney Griswold, 1950–

Trustees—Continued
R. G. Gustavson, 1949–53
Arthur T. Hadley, 1905–21
William R. Harper, 1905–06
Rufus C. Harris, 1945–
Charlies C. Harrison, 1905–10
John G. Hibben, 1920–32
Albert R. Hiss, 1918–36
William V. Houston, 1953–
Edwin H. Hughes, 1905–08
Alexander C. Humphreys, 1905–27
Walter A. Jessup, 1932–44
David S. Jordan, 1905–16
Devereux C. Josephs, 1947–49
Henry C. King, 1905–27
Grayson L. Kirk, 1953–
James H. Kirkland, 1917–37
Thomas S. Lamont, 1949–
Thomas W. Lamont, 1917–48
Ernest H. Lindley, 1934–40
Clarence C. Little, 1927–29
Robert A. Lovett, 1937–
Abbott Lawrence Lowell, 1910–33
Howard F. Lowry, 1948–
Norman A. M. MacKenzie, 1951–
John H. T. Main, 1924–31
Thomas McClelland, 1905–17
Samuel B. McCormick, 1905–23
Frederick A. Middlebush, 1937–
John S. Millis, 1949–
Walter C. Murray, 1918–38
William A. Neilson, 1920–46
John L. Newcomb, 1936–47
George Norlin, 1925–39
Josiah H. Penniman, 1924–41
Sir William Peterson, 1905–18
Samuel Plantz, 1905–24
Henry S. Pritchett, 1905–30
Nathan M. Pusey, 1953–
Ira Remsen, 1909–13
Rush Rhees, 1922–35
Jacob Gould Schurman, 1905–20
L. Clark Seelye, 1905–10
Charles Seymour, 1939–50
Kenneth C. M. Sills, 1933–52
William F. Slocum, 1906–17
Edgar F. Smith, 1913–20
Franklyn B. Snyder, 1940–49
Robert G. Sproul, 1939–
Henry Suzzallo, 1918–33
James M. Taylor, 1910–14
Charles F. Thwing, 1905–22
Alan Valentine, 1945–50
Frank A. Vanderlip, 1905–37
Charles R. Van Hise, 1909–18

Trustees—Continued
Robert E. Vinson, 1920–34
Robert C. Wallace, 1938–51
Herman B. Wells, 1941–
Clement C. Williams, 1939–46
Woodrow Wilson, 1905–10
Benjamin F. Wright, 1952–
Henry M. Wriston, 1932–

Administrative officers

Presidents:
Henry S. Pritchett, 1905–30
Henry Suzzallo, 1930–33
Walter A. Jessup, 1934–44
Oliver C. Carmichael, 1945–53
Thomas S. Lamont (president ad interim), 1953–

Secretaries:
Albert LeForest Derby, assistant secretary, 1905–06
Walter M. Gilbert, assistant secretary, 1905–47
John G. Bowman, 1906–11
Clyde Furst, 1911–31
William S. Learned, assistant secretary, 1920–31
Howard J. Savage, 1931–49
Paul Scherer, assistant secretary, 1947–
Robert M. Lester (associate secretary 1947–49), 1949–

Treasurers:
T. Morrison Carnegie, 1906–10
Robert A. Franks, 1910–35
Frank A. Vanderlip, 1935–37
Howard J. Savage, 1937–49
C. Herbert Lee, 1949–

Assistant treasurers:
John G. Bowman, 1910–11
Clyde Furst, 1911–21
Samuel S. Hall, Jr., 1921–39
Devereux C. Josephs, 1939–45
Parker Monroe, 1945–48
C. Herbert Lee, 1948–49

Staff members:
A. Monell Sayre, 1905–13
Abraham Flexner, 1908–12
William S. Learned, 1913–46
Alfred Z. Reed, 1913–40
I. L. Kandel, 1914–23
Howard J. Savage, 1923–1931; 1949–51

Actuarial consultants:
Charles E. Brooks, 1918–20
Raymond L. Mattocks, 1922–53

Staff associates:
Harold W. Bentley, 1926–29
Paul Webb, 1931–32
David Spence Hill, 1931–34
W. Carson Ryan, 1936–40
Charles R. Langmuir, 1936–42
Kenneth W. Vaughn, 1942–47

TRUSTEES (OR DIRECTORS) AND OFFICERS OF FORD FOUNDATIONS

The Ford Foundation has itself created five other agencies to carry on activities in special fields. Each such agency receives its funds from the Ford Foundation, but is entirely independent, with its own charter and bylaws, as well as its own directors and officers. These agencies are, the East European Fund, Inc., the Fund for Adult Education, the Fund for the Advancement of Education, the Fund for the Republic, Inc., Intercultural Publications, Inc., and Resources for the Future, Inc. The directors and officers of each of these agencies are given following those of the Ford Foundation.

Trustees 1936–54

Edsel B. Ford (deceased 1943), formerly president, Ford Motor Co., 3000 Schaefer Road, Dearborn, Mich., 1936–43

B. J. Craig, formerly secretary-treasurer, the Ford Foundation, 1379 Dorstone Place, Birmingham, Mich, 1936–51

Clifford B. Longley, attorney, Bodman, Longley, Boble, Armstrong & Dahling, Buhl Building, Detroit, Mich., 1936–43

Henry Ford II, president, Ford Motor Co., 3000 Schaefer Road, Dearborn, Mich, 1943–55

Frank Campsall (deceased 1946), formerly assistant general manager and director, Ford Motor Co., Dearborn, Mich., 1943–46

Gordon S. Rentschler (deceased 1948), formerly president, Hooven-Owens-Rentschler Co. and chairman, the National City Bank of New York, New York, N. Y., 1945–48

Karl T. Compton (deceased 1954), formerly president, Massachusetts Institute of Technology, Cambridge, Mass., 1946–51

Benson Ford, vice president, Ford Motor Co., 3000 Schaefer Road, Dearborn, Mich., 1947–57

Donald K. David, dean, Graduate School of Business Administration, Harvard University, Cambridge, Mass., 1948–55

James B. Webber, Jr., president, J. L. Hudson Co., 1206 Woodward Avenue, Detroit, Mich., 1948–53

Charles E. Wilson, chairman of the executive committee, W. R. Grace & Co., 570 Lexington Avenue, New York, N. Y., 1949–56

John Cowles, publisher, Minneapolis Star & Tribune Co., Portland and Fifth Streets, Minneapolis, Minn., 1950–56

Paul G. Hoffman (then president, the Ford Foundation), chairman of the board (since 1953), the Studebaker Corp., South Bend, Ind., 1950–53

Frank Abrams (retired), formerly chairman of the Board, Standard Oil Co. (New Jersey), New York, N. Y., 1952–55

Charles E. Wyzanski, Jr., judge, United States district court, Boston Mass., 1952–57

H. Rowan Gaither, Jr., president, the Ford Foundation, 477 Madison Avenue, New York, N. Y., 1953–57

James F. Brownlee, partner, J. H. Whitney & Co., New York, N. Y., 1953–55

Frederick Lewis Allen (deceased 1954), formerly editor, Harper's magazine, vice president, Harper & Bros., New York, N. Y., 1953–54

John J. McCloy, chairman of the board, the Chase National Bank, New York, N. Y., 1953–56

Trustees 1936–54—Continued

Mark F. Ethridge, publisher, the Louisville Times and the Courier-Journal, Louisville, Ky., 1954–56

Laurence M. Gould, president, Carleton College, Northfield, Minn., 1954–57

Principal elected officers from first meeting of the board of trustees to August 20, 1954

Chairman of the board: Henry Ford II, November 6, 1950, to date

Vice chairman of the board: Karl T. Compton, April 10 to October 1, 1951

President:

H. Rowan Gaither, Jr., March 1, 1953, to date
Paul G. Hoffman, November 6, 1950, to March 1, 1953
Henry Ford II, June 4, 1943, to November 6, 1950
Edsel B. Ford, February 4, 1936, to May 26, 1943

Vice president (formerly called associate director):

Dyke Brown, March 1, 1953, to date
Thomas H. Carroll, June 30, 1953, to date
William H. McPeak, September 16, 1953 to date
Don K. Price, Jr., September 16, 1953, to date
Robert M. Hutchins, January 29, 1951, to May 31, 1954
Milton Katz, September 1, 1951, to January 14, 1954
Chester C. Davis, January 29, 1951, to July 1, 1953
H. Rowan Gaither, Jr., January 29, 1951, to March 1, 1953

Treasurer:

Oliver May, July 2, 1951, to date
B. J. Craig, February 4, 1936, to July 2, 1951

Secretary:

Joseph M. McDaniel, Jr., March 1, 1953, to date
Oliver May, July 2, 1951, to March 1, 1953
B. J. Craig, April 10, 1946, to July 2, 1951
Frank Campsall, June 4, 1943, to April 10, 1946
Clifford Longley, February 4, 1936, to June 4, 1943

EAST EUROPEAN FUND, INC.

Trustees (from inception to date)

Frank Altschul, president of General American Investors Co., Inc., March 1951 to date

Paul B. Anderson, associate executive secretary, international committee of the Young Men's Christian Association, March 1952 to date

Merle Fainsod, professor of government, Harvard University, March 1952 to date

George F. Kennan, Institute for Advanced Study, Princeton, March 1951 to November 1951; September 1953 to date

Philip E. Mosely, professor of international relations and director of the Russian Institute of Columbia University, March 1951 to date

R. Gordon Wasson, vice president of J. P. Morgan & Co., Inc., March 1951 to date

John E. F. Wood, partner in the law firm of Root, Ballatine, Bushby & Palmer, New York City, March 1951 to date

Officers (from inception to date)

President:
George F. Kennan, March 1951 to November 1951
Philip E. Mosely, January 1952 to date

Vice president and treasurer: R. Gordon Wasson, March 1951 to date

Secretary:
George Fischer, March 1951 to May 1951
Elizabeth Meredith, May 1951 to October 1952
Donald A. Lowrie, October 1952 to February 1953
David C. Munford, February 1953 to date (secretary pro tempore February 1953 to April 1954)

Director:
George Fischer, March 1951 to November 1951
Melville J. Ruggles, March 1952 to October 1952
Donald A. Lowrie, October 1952 to February 1953
David C. Munford, full time, February 1953 to September 1953; part time, September 1953 to date

Director, Chekhov Publishing House, Nicholas Wreden, executive editor, Little, Brown & Co., September 1951 to date

Director, Research Program on the U. S. S. R., Philip E. Mosely, June 1951 to date

THE FUND FOR ADULT EDUCATION

Directors

Sarah Gibson Blanding, April 5, 1951, to present
Harry A. Bullis, May 28, 1953, to present
Howard Bruce, April 5, 1951, to March 13, 1953
Rev. John J. Cavanaugh, April 5, 1951, to present
John L. Collyer, April 5, 1951, to present
Milton S. Eisenhower, May 28, 1953, to present
Clarence H. Faust, April 5, 1951, to present
Alexander Fraser, April 5, 1951, to May 6, 1952
C. Scott Fletcher, April 5, 1951, to present
Clarence Francis, April 5, 1951, to present
Clinton S. Golden, April 5, 1951, to present
Paul H. Helms, April 5, 1951, to present
George M. Humphrey, April 5, 1951, to December 1, 1952
Allan B. Kline, April 5, 1951, to present
William A. Patterson, May 28, 1953, to present
Charles H. Percy, April 5, 1951, to present
Anna Lord Strauss, April 5, 1951, to present
James W. Young, April 5, 1951, to May 6, 1952

Officers

C. Scott Fletcher, president, April 5, 1951, to present
Alexander Fraser, chairman of the board, April 5, 1951, to May 6, 1952
Paul H. Helms, chairman of the board, May 6, 1952, to May 20, 1953
Clarence Francis, chairman of the board, May 28, 1953, to present
Joseph M. McDaniel, Jr., treasurer, April 5, 1951, to October 16, 1951
Ernest L. Young, acting treasurer, October 16, 1951, to present
Robert O. Hancox, acting secretary, April 5, 1951, to January 17, 1952
Martha C. Howard, secretary, January 17, 1952, to present
Ann C. Spinney, assistant secretary, July 11, 1952, to present

THE FUND FOR THE ADVANCEMENT OF EDUCATION

Directors (from April 1951 to present, unless otherwise indicated)

Frank W. Abrams, formerly chairman of the board, Standard Oil Co. (New Jersey), 30 Rockefeller Plaza, New York, N. Y. (chairman of fund until resignation from board in June 1953)
Barry Bingham, president, the Courier-Journal, Louisville, Ky.
Ralph J. Bunche, Director, Division of Trusteeship, United Nations, 405 East 42d Street, New York, N. Y.
Charles D. Dickey, director and vice president, J. P. Morgan & Co., Inc., 23 Wall Street, New York, N. Y.
James H. Douglas, Jr., Under Secretary of the Air Force, Pentagon Building, Arlington, Va.
Alvin C. Eurich (see list of officers)
Clarence H. Faust (see list of officers)
C. Scott Fletcher, president, Fund for Adult Education, 1444 Wentworth Street, Pasadena, Calif.
Walter Gifford, room 1010, 46 Cedar Street, New York 5, N. Y., formerly Ambassador to Great Britain and chairman of American Telephone & Telegraph (since April 1954)
Mrs. Douglas Horton, 52 Gramercy Park North, New York 10, N. Y., formerly Director of the WAVES and president of Wellesley College
Mr. Roy Larsen, president, Time, Inc., 9 Rockefeller Plaza, New York, N. Y.
Mr. Walter Lippmann, 3525 Woodley Road NW., Washington 16, D. C., columnist
Mr. Ralph McGill, editor, the Atlanta Constitution, Atlanta, Ga. (since April 1954)
Mr. Paul Mellon, 716 Jackson Place, Washington, D. C. (president, Old Dominion Foundation)
Mr. Walter P. Paepcke, chairman of the board, Container Corporation of America, 38 South Dearborn Street, Chicago, Ill.
Mr. Philip D. Reed, chairman of the board, General Electric Co., 570 Lexington Avenue, New York 22, N. Y. (until June 1953)
Owen J. Roberts, 1421 Chestnut Street, Philadelphia 2, Pa. (formerly Associate Justice of the Supreme Court) (chairman of fund board since June 1953)
James Webb Young, 420 Lexington Avenue, New York 17, N. Y., advertising consultant (until April 1952)

THE FUND FOR THE ADVANCEMENT OF EDUCATION

Officers

Clarence H. Faust, president, Fund for Advancement of Education, 575 Madison Avenue, New York, N. Y. (April 1951 to present)
Alvin C. Eurich, vice president, Fund for Advancement of Education, 575 Madison Avenue, New York, N. Y. (September 1951 to present)
John K. Weiss, treasurer, Fund for Advancement of Education, 575 Madison Avenue, New York, N. Y. (April 1954 to present)
O. Meredith Wilson (secretary of the fund from December 1952 to March 1954); Current address: President, University of Oregon, Eugene, Oreg.

Officers—Continued

Philip H. Coombs, secretary, Fund for Advancement of Education, 575 Madison Avenue, New York 22, N. Y. (secretary-treasurer until April 1954) (secretary since April 1954)

Thomas A. Spragens (secretary-treasurer, June 1951–December 1952); Current address: President, Stephens College, Columbia, Mo.

THE FUND FOR THE REPUBLIC, INC.

Directors, past and present

James F. Brownlee, partner, J. H. Whitney & Co., New York City, December 1952–May 1953

Malcolm Bryan, president, Federal Reserve Bank, Atlanta, December 1952–January 1953

Huntington Cairns, lawyer, Washington, D. C., December 1952–August 1953

Clifford P. Case, president, The Fund for the Republic, Inc., May 1953–March 1954

Charles W. Cole, president, Amherst College, Amherst, Mass., December 1952–1956 [1]

Russell L. Dearmont, lawyer, St. Louis, Mo., December 1952–1954 [1]

Richard Finnegan, consulting editor, Chicago Sun-Times, Chicago, Ill., December 1952–1954 [1]

David F. Freeman, secretary, The Fund for the Republic, Inc., December 1952–November 1953

Erwin N. Griswold, dean, Harvard Law School, Cambridge, Mass., December 1952–1956 [1]

Paul G. Hoffman, chairman of the board, the Studebaker Corp., South Bend, Ind., February 1953–1954 [1]

Robert M. Hutchins, president, The Fund for the Republic, Inc., April 1954– ——

William H. Joyce, Jr., chairman of the board, Joyce, Inc., Pasadena, Calif., December 1952–1955 [1]

Meyer Kestnbaum, president, Hart, Schaffner & Marx, Chicago, Ill., December 1952–1956 [1]

M. Albert Linton, president, Provident Mutual Life Insurance Co., Philadelphia, Pa., December 1952–1954 [1]

John Lord O'Brian, partner, Covington & Burling, Washington, D. C., February 1953–1956 [1]

Jubal R. Parten, president, Woodley Petroleum Co., Houston, Tex., December 1952–1954 [1]

Elmo Roper, marketing consultant, New York City, N. Y., December 1952–1955 [1]

George N. Shuster, president, Hunter College, New York City, vice chairman, August 1953, December 1952–1955 [1]

Mrs. Eleanor B. Stevenson, Oberlin, Ohio, December 1952–1956 [1]

James D. Zellerbach, president, Crown Zellerbach Corp., San Francisco, Calif., December 1952–1955 [1]

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[1] Annual meeting in November. Terms of office run until November of the year mentioned.

Officers

Chairman of the board, Paul G. Hoffman, February 1953 to present
Vice chairman of the board, George N. Shuster, August 1953 to present
Presidents, David F. Freeman, December 1952 to May 1953; Clifford P. Case, May 1953 to March 1954; Robert M. Hutchins, June 1954 to present
Vice president, W. H. Ferry, July 1954 to present
Secretary, David F. Freeman, December 1952 to present
Treasurer, Isaac Stickler, December 1952 to August 1953
Acting treasurer, David F. Freeman, August 1953 to present
Assisant treasurer, Charles C. Dold, September 1953 to March 1954

INTERCULTURAL PUBLICATIONS, INC., 477 MADISON AVENUE, NEW YORK 22, N. Y.

Directors

James Laughlin, president, Intercultural Publications, Inc., 477 Madison Avenue, New York 22, N. Y.
William J. Casey, 60 East 42d Street, New York 17, N. Y., lawyer
Charles Garside, president, Associated Hospital Service of New York, 80 Lexington Avenue, New York, N. Y.
Joseph W. Hambuechen, First Boston Corp., 100 Broadway, New York, N. Y., banker
H. J. Heinz II, president, H. J. Heinz Co., Post Office Box 57, Pittsburgh 30, Pa.
Alfred A. Knopf, president, Alfred A. Knopf, Inc., 501 Madison Avenue, New York, N. Y.
Richard Weil, Jr., 2 East 67th Street, New York 22, N. Y., executive

Officers

James Laughlin, president
Charles Garside, secretary
Ernest J. Perry, treasurer
Ronald Freelander, assistant secretary

The board of directors has been serving since April 9, 1952.

Mr. James F. Brownlee, of Fairfield, Conn., also elected April 9, 1952, resigned from the board in December 1952.

Mr. Hayden Carruth served as assistant secretary from September 1952 to October 1953, at which time has was succeeded by Mr. Ronald Freelander.

DIRECTORS AND OFFICERS OF RESOURCES FOR THE FUTURE, INC.

Resources for the Future, Inc., was incorporated in New York under the membership corporation law October 7, 1952. By article VI of the certificate of incorporation the following-named persons were designated until the first annual meeting or until any special meeting held for the purpose of electing directors:

Milton Adler, 12 Crown Street, Brooklyn 25, N. Y.
Charles T. Duncan, 229 West 74th Street, New York 23, N. Y.
Joseph H. Schnabel, 402 Ocean Parkway, Brooklyn 18, N. Y.

(NOTE.—The above-named directors named in the certificate of incorporation were on information and belief designated by law firm employed to obtain the certificate of incorporation and are not individually known to the present officers of the corporation.)

These directors named in article VI of the certificate of incorporation met on October 10, 1952, at which time each of them submitted his resignation in turn and the following-named persons were named directors:

William S. Paley
Ralph F. Colin (resigned November 5, 1952)
John S. Minary (resigned November 5, 1952)

The following persons were elected at subsequent meetings of the corporation:

Elected November 5, 1952:
Horace M. Albright
Edward J. Condon
E. B. MacNaughton
Leslie A. Miller
Fairfield Osborn (resigned December 8, 1953)
Beardsley Ruml
Stanley Ruttenberg
M. L. Wilson (resigned May 1, 1953)
Charles W. Eliot (resigned February 5, 1953)
Elected November 6, 1952: Reuben G. Gustavson
Elected June 19, 1953: Otto H. Liebers

The following persons have been elected officers of the corporation since its inception:

Elected October 10, 1952:
William S. Paley, president (resigned November 5, 1952)
Ralph F. Colin, vice president and treasurer (resigned November 5, 1952)
John S. Minary, secretary (resigned November 5, 1952)
Elected November 5, 1952:
Horace M. Albright, president (resigned March 31, 1953, to become effective upon the date of taking office by his successor)
Charles W. Eliot, executive director (resigned February 5, 1953)
Elmer Hennig, secretary and treasurer (resigned July 15, 1954)
Elected March 2, 1953: Reuben G. Gustavson, president (to become effective upon his acceptance and taking office on July 1, 1953)
Elected April 19, 1953: Horace M. Albright, chairman of the board
Reuben G. Gustavson, executive director
Elected July 15, 1954:
Joseph L. Fisher, secretary
John E. Herbert, treasurer

THE ROCKEFELLER FOUNDATION

List of all persons who have served as trustees since incorporation in 1913, April 1954

Agar, John G.,[1] lawyer, February 25, 1920, to November 9, 1928

Aldrich, Winthrop W., formerly chairman of the board, the Chase National Bank of the City of New York, now Ambassador to Great Britain, April 10, 1935, to June 30, 1951

Angell, James R.,[1] formerly president, Yale University, November 9, 1928, to April 15, 1936

Arnett, Trevor, formerly president, the General Education Board, and the International Education Board, Grand Beach, Mich., November 9, 1928, to April 15, 1936

Barnard, Chester I., formerly president, the Rockefeller Foundation and General Education Board, 52 Gramercy Park North, New York 10, N. Y., April 3, 1940, to June 30, 1952

Bowles, Chester,[2] formerly governor of Connecticut and formerly United States Ambassador to India and Nepal; Essex, Conn., April 7, 1954, to April 6, 1955

Bronk, Detlev W.,[2] president, the Rockefeller Institute for Medical Research, York Avenue and 66th Street, New York 21, N. Y., April 1, 1953, to April 6, 1955

Buttrick, Wallace,[1] formerly president, General Education Board, and chairman, the International Education Board, January 24, 1917, to May 27, 1926

Claflin, William H., Jr.,[2] president, Soledad Sugar Co., Room 1006, 75 Federal Street, Boston 10, Mass., April 5, 1950, to April 6, 1955

Compton, Karl T., chairman of the corporation, Massachusetts Institute of Technology, Cambridge, Mass., April 3, 1940, to June 30, 1953

Davis, John W., lawyer, with firm of Davis, Polk, Wardwell, Sunderland & Kiendl, 15 Broad Street, New York 5, N. Y., February 24, 1922, to April 5, 1939

Dickey, John S.,[2] president, Dartmouth College, Hanover, N. H., April 2, 1947, to April 4, 1956

Dodds, Harold W.,[2] president, Princeton University, Princeton, N. J., April 7, 1937, to June 30, 1954

Douglas, Lewis W.,[2] chairman of the board, Mutual Life Insurance Co. of New York, 1740 Broadway, New York 19, N. Y., formerly United States Ambassador to Great Britain, April 10, 1935, to April 2, 1947; December 6, 1950, to April 6, 1955

Dulles, John Foster, Secretary of State, Washington 25, D. C., formerly member, Sullivan & Cromwell (lawyers), April 10, 1935, to December 2, 1952

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[1] Deceased.
[2] Present trustees.

List of all persons who have served as trustees since incorporation in 1913, April 1954—Continued

Edsall, David L.,[1] formerly dean, Harvard Medical School, and Harvard School of Public Health, May 25, 1927, to April 15, 1936

Eliot, Charles W.,[1] formerly president, Harvard University, January 21, 1914, to May 23, 1917

Flexner, Simon,[1] formerly director, Rockefeller Institute for Medical Research, May 22, 1913, to April 16, 1930

Fosdick, Harry Emerson, pastor emeritus, Riverside Church, 490 Riverside Drive, New York 27, N. Y., January 26, 1916, to February 23, 1921

Fosdick, Raymond B., formerly president, the Rockefeller Foundation and the General Education Board, 25 East 83d Street, New York, N. Y., February 23, 1921, to June 30, 1948

Freeman, Douglas S.,[1] formerly editor, Richmond News Leader, and biographer, Robert E. Lee and George Washington, April 7, 1937, to December 5, 1951

Gasser, Herbert S.,[2] member emeritus, the Rockefeller Institute for Medical Research (formerly director), York Avenue and 66th Street, New York, N. Y., April 7, 1937, to June 30, 1954

Gates, Frederick T.,[1] formerly associated with John D. Rockefeller, Sr., formerly chairman, general education board, May 22, 1913, to July 2, 1923

Gifford, Walter S., formerly president and chairman, American Telephone & Telegraph Co., formerly United States Ambassador to Great Britain, 46 Cedar Street, New York, N. Y., April 15, 1936, to April 5, 1950

Greene, Jerome D., formerly secretary, the Rockefeller Foundation, formerly, member of board of overseers, Harvard University, 50 State Street, Boston, Mass., May 22, 1913, to January 24, 1917; November 9, 1928, to December 6, 1939

Hadley, Herbert Spencer,[3] formerly Governor of Missouri and chancellor, Washington University, St. Louis, Mo., February 23, 1927, to November 4, 1927

Harrison, Wallace K.,[2] Harrison & Abramovitz, architects, 630 Fifth Avenue, New York, N. Y., July 1, 1951, to April 4, 1956

Hepburn, Alonzo B.,[1] formerly president, chairman of the board of directors, and chairman, advisory board, Chase National Bank of the City of New York, March 18, 1914, to January 25, 1922

Heydt, Charles O., formerly associated with John D. Rockefeller, Sr., 34 Melrose Place, Montclair, N. J., May 22, 1913, to January 24, 1917

Hopkins, Ernest M., formerly president, Dartmouth College, 29 Rope Ferry Road, Hanover, N. H., November 9, 1928, to December 2, 1942

Howland, Charles P.,[1] formerly lawyer-member of Rushmore, Bisbee & Stern, November 9, 1928, to November 12, 1932

Hughes, Charles E.,[1] formerly Chief Justice of the United States, January 24, 1917, to February 28, 1921; November 6, 1925, to November 9, 1928

[1] Deceased.
[2] Present trustees.
[3] Died never having attended a meeting.

List of all persons who have served as trustees since incorporation in 1913, April 1954—Continued

Judson, Harry Pratt,[1] formerly president, University of Chicago, May 22, 1913, to February 27, 1924

Kellogg, Vernon L.,[1] formerly permanent secretary, National Research Council, February 24, 1922, to April 11, 1934

Kimberly, John R.,[2] president, Kimberly-Clark Corp., Neenah, Wis., April 1, 1953, to April 3, 1957

Loeb, Robert F.,[2] Bard professor of medicine, Columbia University, 620 West 168th Street, New York, N. Y., April 2, 1947, to April 3, 1957

Lovett, Robert A.,[2] Brown Bros., Harriman & Co., 59 Wall Street, New York, N. Y., formerly Secretary of Defense, May 20, 1949, to April 3, 1957

Mason, Max, formerly president, the Rockefeller Foundation, 1035 Harvard Street, Claremont, Calif., January 1, 1930, to June 30, 1936

McCloy, John J., chairman of the board, the Chase National Bank of the City of New York, 18 Pine Street, New York, N. Y., formerly High Commissioner for Germany, April 3, 1946, to June 11, 1949; April 1, 1953, to April 6, 1955

Moe, Henry Allen,[2] secretary general, John Simon Guggenheim Memorial Foundation, 551 Fifth Avenue, New York, N. Y., April 5, 1944, to April 4, 1956

Murphy, Starr J.,[1] formerly lawyer-personal counsel, John D. Rockefeller, Sr., May 22, 1913, to April 4, 1921

Myers, William I.,[2] dean, New York State College of Agriculture, Cornell University, Ithaca, N. Y., April 2, 1941, to April 4, 1956

Parkinson, Thomas I., formerly president, Equitable Life Assurance Society 7 Park Avenue, New York, N. Y., April 10, 1935, to December 4, 1946

Parran, Thomas,[2] dean, Graduate School of Public Health, the University of Pittsburgh, Pittsburgh, Pa., April 2, 1941, to April 4, 1956

Richards, Alfred N., emeritus professor of pharmacology, University of Pennsylvania, 737 Rugby Road, Bryn Mawr, Pa., April 7, 1937, to April 2, 1941

Rockefeller, John D., Sr.,[1] business and philanthropy, May 22, 1913, to December 4, 1923

Rockefeller, John D., Jr., business and philanthropy, formerly chairman of the board, the Rockefeller Foundation and the General Education Board, 30 Rockefeller Plaza, New York, N. Y., May 22, 1913, to April 3, 1940

Rockefeller, John D., 3d,[2] business and philanthropy, chairman of the board, the Rockefeller Foundation and the General Education Board, 30 Rockefeller Plaza, New York, N. Y., December 16, 1931, to April 4, 1956

Rose, Wickliffe,[1] formerly member of International Health Board and president, International Education Board and General Education Board, May 22, 1913, to June 30, 1928

Rosenwald, Julius, formerly merchant and philanthropist, January 24, 1917, to April 15, 1931

[1] Deceased.
[2] Present trustees.

List of all persons who have served as trustees since incorporation in 1913, April 1954—Continued

Rusk, Dean,[2] president, the Rockefeller Foundation and the General Education Board, 49 West 49th Street, New York, N. Y., formerly Assistant Secretary of State for Far Eastern Affairs, April 5, 1950, to April 3, 1957

Ryerson, Martin A.,[1] formerly president and honorary president board of trustees, University of Chicago, January 26, 1916, to December 3, 1928

Smith, Geoffrey S.,[2] president, Girard Trust Corn Exchange Bank, Broad and Chestnut Streets, Philadelphia, Pa., April 5, 1050, to April 6, 1955.

Sproul, Robert G.,[2] president, University of California, Berkeley, Calif., April 3, 1940, to April 6, 1955

Stevens, Robert T., Secretary of the Army, Washington, D. C., formerly chairman of the board, J. P. Stevens Co., April 2, 1952, to January 16, 1953

Stewart, Walter W., emeritus professor, school of economics and politics, Institute for Advanced Study, Princeton, N. J., April 15, 1931, to December 6, 1950

Stokes, Anson Phelps, formerly canon, Washington Cathedral, Washington, D. C., Lenox, Mass., November 9, 1928, to April 12, 1932

Strauss, Frederick,[1] formerly associated with J. and W. Seligman & Co. (brokers), January 26, 1916, to April 15, 1931

Sulzberger, Arthur Hays,[2] publisher, the New York Times, and president and director, the New York Times Co., 229 West 43d Street, New York, N. Y., April 5, 1939, to April 3, 1957

Swift, Harold H., chairman of the board, Swift & Co., Union Stockyards, Chicago, Ill., April 15, 1931, to April 5, 1950

Trowbridge, Augustus,[1] formerly dean of the graduate school, Princeton University, November 9, 1928, to March 14, 1934

Van Dusen, Henry P.,[2] president, Union Theological Seminary, Broadway and 120th Street, New York, N. Y., April 2, 1947, to April 3, 1957

Vincent, George E.,[1] formerly president of the University of Minnesota, formerly president of the Rockefeller Foundation, January 24, 1917, to December 31, 1929

Whipple, George H., formerly dean, school of medicine and dentistry, University of Rochester, 320 Westminster Road, Rochester, N. Y., May 25, 1927, to December 1, 1943

White, William Allen,[1] formerly proprietor and editor, Emporia Gazette, Emporia, Kans., February 21, 1923, to April 10, 1935

Wilbur, Ray Lyman,[1] formerly president, Stanford University, February 21, 1923, to December 4, 1940

Wood, W. Barry, Jr. (trustee-elect), professor of medicine, school of medicine, Washington University, St. Louis, Mo., July 1, 1954, to April 3, 1957

Woods, Arthur M.,[1] formerly police commissioner, New York City, was assistant to Secretary of War, 1919, November 9, 1928, to April 10, 1935

[1] Deceased.
[2] Present trustees.

List of all persons who have served as trustees since incorporation in 1913, April 1954—Continued

Young, Owen D., honorary chairman of the board, General Electric Co., 570 Lexington Avenue, New York, N. Y., November 9, 1928, to December 6, 1939

List of principal officers, 1913–54

Chairmen of the board of trustees:
- John D. Rockefeller, Jr., 1917–40
- Walter W. Stewart, 1940–50
- John Foster Dulles, 1950–52
- John D. Rockefeller 3d,[2] 1952–

Presidents:
- John D. Rockefeller, Jr., 1913–17
- George E. Vincent, 1917–29
- Max Mason, 1930–36
- Raymond B. Fosdick, 1936–48
- Chester I. Barnard, 1948–52
- Dean Rusk,[2] 1952–

Vice presidents:
- Roger S. Greene, 1927–29
- Edwin R. Embree, 1927
- Selskar M. Gunn, 1927–42
- Thomas B. Appleget, 1929–49
- Lindsley F. Kimball,[2] 1949–
- Alan Gregg, M. D.,[2] 1951–

Secretaries:
- Jerome D. Greene, 1913–17
- Edwin R. Embree, 1917–24
- Norma S. Thompson, 1925–47
- Flora M. Rhind,[2] 1948–

Treasurers:
- Louis G. Myers, 1913–32
- Lefferts M. Dashiell, 1932–38
- Thomas I. Parkinson, 1938
- Edward Robinson,[2] 1938–

Comptrollers:
- Robert H. Kirk, 1917–25
- George J. Beal, 1925–53
- H. Malcolm Gillette,[2] 1953–

INTERNATIONAL HEALTH DIVISION

(International Health Commission, 1913–16, International Health Board, 1916–27, merged with medical sciences to become division of medicine and public health in 1951)

Directors

Wickliffe, Rose, 1913–23
Frederick F. Russell, M. D., 1923–35
Wilbur A. Sawyer, M. D., 1935–44
George K. Strode, M. D., 1944–51

[2] Present trustees.

DIVISION OF MEDICAL SCIENCES

(Division of medical education, 1919–29, merged with International Health Division to become division of medicine and public health, 1951)

Directors

Richard M. Pearce, M. D., 1919–30
Alan Gregg, M. D., 1931–51

DIVISION OF MEDICINE AND PUBLIC HEALTH

Directors

George K. Strode, M. D., 1951
Andrew J. Warren, M. D.,[2] 1951–

DIVISION OF NATURAL SCIENCES AND AGRICULTURE

(Changed from division of natural sciences in 1951)

Directors

Max Mason, 1928–29
Richard M. Pearce, M. D. (acting), 1930
William S. Carter, M. D., (acting), 1930
Herman A. Spoehr, 1930–31
Lauder W. Jones (acting), 1931–32
Warren Weaver,[2] 1932–

DIVISION OF SOCIAL SCIENCES

Directors

Edmund E. Day, 1928–37
Sydnor H. Walker (acting), 1937–38
Joseph H. Willits,[2] 1939–54

DIVISION OF HUMANITIES

Directors

Edward Capps, 1929–30
David H. Stevens, 1932–49
Charles B. Fahs,[2] 1950–

General Education Board

Founded by John D. Rockefeller in 1902

List of all persons who have served as trustees since incorporation in 1903–April 1954

Alderman, Edwin A.,[1] formerly president, University of Virginia, Charlottesville, Va., November 27, 1906, to December 31, 1928
Aldrich Winthrop W., formerly chairman of the board, the Chase National Bank of the City of New York, now Ambassador to Great Britain, April 15, 1935, to June 30, 1951
Andrews, E. Benjamin,[1] formerly chancellor, University of Nebraska, Lincoln, Nebr., June 30, 1904, to May 24, 1912
Angell, James R.,[1] formerly president, Yale University, New Haven, Conn., February 23, 1922, to December 31, 1934

[1] Deceased.
[2] Present trustees.

List of all persons who have served as trustees since incorporation in 1903–April 1954—Continued

Arnett, Trevor, formerly president, General Education Board and International Education Board, Grand Beach, Mich., February 26, 1920, to December 31, 1936

Baldwin, W. H., Jr.,[1] formerly president, Long Island Railroad Co., February 27, 1902, to January 3, 1905

Barnard, Chester I., formerly president, General Education Board and the Rockefeller Foundation, 52 Gramercy Park North, New York, N. Y., April 8, 1948, to June 30, 1952

Branscomb, Bennett Harvie,[2] chancellor, Vanderbilt University, Nashville, Tenn., April 3, 1947, to April 4, 1957

Bronk, Detlev. W.,[2] president, the Rockefeller Institute for Medical Research, York Avenue and 66th Street, New York, N. Y., April 8, 1954, to April 5, 1956

Buttrick, Wallace,[1] formerly president, General Education Board and chairman, International Education Board, May 14, 1902, to May 27, 1926

Carnegie, Andrew,[1] business and philanthropy, March 24, 1908, to September 16, 1918

Chase, Harry Woodburn, formerly chancellor, New York University, Box 491, Northport, N. Y., January 1, 1930, to December 17, 1936

Compton, Karl T., chairman of corporation, Massachusetts Institute of Technology, Cambridge, Mass., April 4, 1940, to June 30, 1953

Coolidge, T. Jefferson,[2] chairman of board, United Fruit Co. and Old Colony Trust Co., 80 Federal St., Boston, Mass., April 6, 1950, to April 4, 1957

Curry, J. L. M.,[1] general agent, Peabody Education Fund; general agent, John F. Slater Fund, February 27, 1902, to February 12, 1903

Davis, John W., lawyer, Davis, Polk, Wardwell, Sunderland & Kiendl, 15 Broad Street, New York, N. Y., April 15, 1935, to December 8, 1938

DeVane, William C., dean, Yale College, Yale University, New Haven, Conn., April 6, 1950, to April 7, 1955

Dillard, James H.,[1] formerly president, Jeanes Foundation, and president, John F. Slater Fund, February 28, 1918, to December 31, 1929

Dodds, Harold W.,[2] president, Princeton University, Princeton, N. J., January 1, 1937, to June 30, 1954

Douglas, Lewis W.,[2] chairman of board, Mutual Life Insurance Co. of New York, 1740 Broadway, New York, N. Y., formerly Ambassador to Great Britain, April 8, 1937, to April 3, 1947; December 7, 1950, to April 7, 1955

Dulles, John Foster, formerly member, Sullivan & Cromwell, lawyers, New York, Secretary of State, Washington, D. C., April 6, 1950, to December 4, 1952

Eliot, Charles W.,[1] formerly president, Harvard University, Cambridge, Mass., January 28, 1908, to May 5, 1917

Flexner, Abraham, formerly director of studies and medical education, General Education Board, director emeritus, Institute for

[1] Deceased.
[2] Present trustees.

List of all persons who have served as trustees since incorporation in 1903–April 1954—Continued

Advanced Study, 522 Fifth Avenue, New York, N. Y., January 22, 1914, to June 30, 1928

Fosdick, Raymond B., formerly president, General Education Board and the Rockefeller Foundation, 25 East 83d Street, New York, N. Y., February 23, 1922, to June 30, 1948

Freeman, Douglas S.,[1] formerly editor, Richmond News Leader, January 1, 1937, to December 6, 1951

Frissell, Hollis B.,[1] formerly principal, Hampton Institute, Hampton, Va., November 27, 1906, to August 5, 1917

Gates, Frederick T., [1] formerly associated with John D. Rockefeller, Sr.; formerly chairman, General Education Board, February 27, 1902, to December 31, 1928

Gifford, Walter S., formerly president and chairman, American Telephone & Telegraph Co., formerly Ambassador to Great Britain, 46 Cedar Street, New York, N. Y., April 15, 1935, to April 6, 1950

Gilman, Daniel C.,[1] formerly president, Johns Hopkins University; formerly president, Carnegie Institution of Washington, February 27, 1902, to October 13, 1908

Greene, Jerome D., formerly member of board of overseers, Harvard University, 50 State Street, Boston, Mass., January 26, 1912, to December 7, 1939

Hanna, Hugh H.,[1] formerly president, Atlas Engine Works, June 30, 1905, to January 26, 1912

Harper, William R.,[1] formerly president, University of Chicago, June 30, 1905, to January 10, 1906

Hopkins, Ernest M., formerly president, Dartmouth College, 29 Rope Ferry Road, Hanover, N. H., January 1, 1930, to December 3, 1942

Howland, Charles P.,[1] formerly lawyer-member of Rushmore, Bisbee & Stern, February 27, 1919, to November 12, 1932

Jesup, Morris K.,[1] formerly banker, February 27, 1902, to January 22, 1908

Judson, Harry Pratt,[1] formerly president, University of Chicago, Chicago, Ill., November 27, 1906, to March 4, 1927

Lane Franklin K.,[1] formerly vice-president, Pan-American Petroleum & Transport Co. of New York; formerly Secretary of the Interior in Cabinet of President Woodrow Wilson, February 24, 1921, to May 18, 1921

McCain, James R., president emeritus, Agnes Scott College, Decatur, Ga., April 4, 1940, to December 5, 1946

Marston, Edgar L.,[1] formerly investment banker, Blair & Co., January 26, 1909, to May 23, 1918

Mason, Ma, formerly director of natural sciences, General Education Board, formerly president, the Rockefeller Foundation, 1035 Harvard Street, Claremont, Calif., January 1, 1930, to June 30, 1936

Mims, Edwin, professor emeritus of English, Vanderbilt University, Nasville, Tenn., January 1, 1931, to December 31, 1936

Murphy, Starr J.,[1] formerly lawyer, personal counsel, John D. Rockefeller, Sr., January 27, 1904 to December 31, 1905; January 22, 1907 to April 4, 1921.

[1] Deceased.

List of all persons who have served as trustees since incorporation in 1903–April 1954—Continued

Myers, William I.,[2] dean, New York State College of Agriculture, Cornell University, Ithaca, N. Y., April 3, 1941, to April 7, 1955

Norton, Edward L.,[2] chairman of board, Voice of Alabama (WAPI, WAFM–TV), 701 Protective Life Building, Birmingham, Ala., April 6, 1944 to April 5, 1956

Ogden, Robert C.,[1] formerly president, Union Theological Seminary, February 27, 1902 to August 6, 1913

Page, Walter Hines,[1] formerly editor, Doubleday Page & Co., New York, formerly Ambassador to Great Britain, February 27, 1902 to December 22, 1918

Parkinson, Thomas I., formerly president, Equitable Life Assurance Society, 7 Park Avenue, New York, N. Y., April 15, 1935 to December 5, 1946

Parran, Thomas,[2] dean, graduate school of public health, the University of Pittsburgh, Pittsburgh, Pa., April 3, 1947 to April 5, 1956

Peabody, George Foster,[1] formerly banker, treasurer of General Education Board, February 27, 1902 to May 24, 1912

Rockefeller, John D., Jr., business and philanthropy, formerly chairman of the board of the Rockefeller Foundation and General Education Board, 30 Rockefeller Plaza, New York, N. Y., January 29, 1903 to April 6, 1939

Rockefeller, John D., 3d,[2] business and philanthropy, chairman of the board of the Rockefeller Foundation and General Education Board, 30 Rockefeller Plaza, New York, N. Y., January 1, 1932 to April 5, 1956

Rose, Wickliffe,[1] formerly member of International Health Board, formerly president of General Education Board and International Education Board, February 1, 1910, to June 30, 1928

Rusk, Dean,[2] president, the Rockefeller Foundation and General Education Board, formerly Assistant Secretary of State for Far Eastern Affairs, 49 West 49th Street, New York, N. Y., December 6, 1951, to April 7, 1955

Shaw, Albert,[1] formerly editor, American Review of Reviews, February 27, 1902, to December 31, 1929

Spaulding, Francis T.,[1] formerly professor of education, Harvard University, formerly commissioner of education and president of University of State of New York, April 4, 1940, to April 2, 1942

Spaulding, Frank E., formerly superintendent of schools, Cleveland, Ohio, chairman emeritus, department of education, graduate school, Yale University, Casa de Mañana, La Jolla, Calif., February 28, to April 4, 1921

Sproul, Robert G.,[2] president, University of California, Berkeley, Calif., April 4, 1940, to April 4, 1957

Stewart, Walter W., professor emeritus, school of economics and politics, Institute for Advanced Study, Princeton, N. J., December 15, 1932, to December 7, 1950

Stokes, Anson Phelps, formerly canon, Washington Cathedral, Washington, D. C., Lenox, Mass., May 24, 1912, to April 14, 1932

Swift, Harold H., chairman of board, Swift & Co., Union Stockyards, Chicago, Ill., January 1, 1931, to April 6, 1950

[1] Deceased.
[2] Present trustees.

List of all persons who have served as trustees since incorporation in 1903–April 1954—Continued

Trowbridge, Augustus,[1] formerly dean of the graduate school, Princeton University, January 1, 1930 to March 14, 1934

Van Dusen, Henry P.,[2] president, Union Theological Seminary, Broadway and 120th Street, New York, N. Y., April 8, 1948 to April 4, 1957

Vincent, George E.,[1] formerly president, University of Minnesota, formerly president, the Rockefeller Foundation, May 28, 1914 to December 31, 1929

Whipple, George H., formerly dean, school of medicine and dentistry, University of Rochester, 320 Westminster Road, Rochester, N. Y. December 17, 1936 to December 2, 1943

Wilbur, Ray Lyman,[1] formerly president, Stanford University, January 1, 1931 to December 5, 1940.

Woods, Arthur,[1] formerly Police Commissioner, New York City; formerly Assistant to Secretary of War, January 1, 1930 to December 31, 1934

Young, Owen D., honorary chairman of board, General Electric Co., 570 Lexington Avenue, New York, N. Y., February 26, 1925 to December 7, 1939

List of principal officers—1902–54

Chairman of the board of trustees:
- William H. Baldwin, Jr., 1902–04
- Robert C. Ogden, 1905–06
- Frederick T. Gates, 1907–17
- Vacancy, 1918–22
- Wallace Buttrick, 1923–26
- Vacancy, 1927–30
- Raymond B. Fosdick, 1931–36
- John D. Rockefeller, Jr., 1936–39
- Ernest M. Hopkins, 1939–42
- Walter W. Stewart, 1942–50
- John Foster Dulles, 1950–52
- John D. Rockefeller, 3d,[2] 1952

Presidents:[4]
- Wallace Buttrick, 1917–23
- Wickliffe Rose, 1923–28
- Trevor Arnett, 1928–36
- Raymond B. Fosdick, 1936–48
- Chester I. Barnard, 1948–52
- Dean Rusk [2] 1952–

Vice presidents:
- David H. Stevens, 1931–38
- A. R. Mann, 1937–46
- Jackson Davis, 1946–47
- Robert D. Calkins, 1947–52
- Lindsley F. Kimball,[2] 1950–

[1] Deceased.
[2] Present trustees.
[4] Principal executive officer prior to 1917 was called secretary and executive officer; see listing under Secretaries.

List of principal officers—1902–54—Continued

Secretaries:
- Wallace Buttrick (and executive officer), 1902–17
- Starr J. Murphy (and executive officer), 1905–06
- Abraham Flexner, 1917–25
- Trevor Arnett, 1920–24
- William W. Brierly, 1925–49
- Robert W. July, April 7–December 31, 1949
- Edouard D. Eller, 1950–52
- Flora M. Rhind,[2] 1952–

Treasurers:
- George Foster Peabody, 1902–09
- Louis G. Myers, 1910–32
- Lefferts M. Dashiell, 1932–38
- Edward Robinson,[2] 1938–

Comptrollers (auditor prior to 1936):
- Ernest A. Buttrick, 1922–31
- George J. Beal, 1931–53
- H. Malcolm Gillette,[2] 1953–

Directors:
- Abraham Flexner (studies and medical education), 1925–28
- Frank P. Bachman (school surveys, public education), 1922–28
- H. J. Thorkelson (college and university education, accounting), 1922–28
- Charles R. Richards (industrial art), 1926–30
- Whitney H. Shepardson (agricultural education), 1927–28
- David H. Stevens (education), 1929–37
- Max Mason (natural sciences), 1928–29
- Herman A. Spoehr (natural sciences), 1930–31
- Warren Weaver (natural sciences), 1932–37
- Edward Capps (humanities), 1929–30
- Alan Gregg (medical sciences), 1931–37
- Edmund E. Day (social sciences, general education), 1930–37
- R. J. Havighurst (general education), 1937–40
- A. R. Mann (southern education), 1937–46
- Jackson Davis (southern education), 1946–47
- Robert D. Calkins (southern education), 1947–52

Mr. HAYS. Now, the reason I did that in view of the witness' statement is that I don't know who they are. I know some of them and I am sure that some members of the Ford family are members or directors of the Ford Foundation. There are many very prominent people associated with the Eisenhower administration. I want it right in the record that these are the people that the witness—I won't attempt to say because I am afraid he will qualify it, but we will let the record say what he said about them. I want to go on record right here as saying that I don't believe that such people, as the Fords, as Paul Hoffman, and others that I happen to know are officials of them, are in any way remotely or otherwise involved in any plot to subvert this Government.

I say to you in saying that I am defending the present administration, of which I am not a member.

[2] Present trustees.

The CHAIRMAN. I am glad to have your support of the statement which I have many times made: that the boards of directors of these large foundations are composed in the main of most estimable men of wide experience and, in most cases, extensive business connections; and the complaint that I developed was that they were so engaged with their other and more personal business and professional associations that they did not devote the time required to know what the foundations, the administrative phases of the foundations, were doing.

One of the chief and one of the principal purposes that I thought might be served by this study was to develop the work of the foundations and in that way the members of the boards of directors would come to understand more fully just what the foundations are doing and might thereby be encouraged to give more personal attention to the direction of the activities of the foundations.

Mr. HAYS. Boiled down, in other words, you are saying they are too stupid to know what they are doing now and so we are going to tell them.

The CHAIRMAN. It doesn't boil down to that; if it did boil down, it wouldn't boil down to that.

They are men of very great ability and so far as I know men of high purpose.

Mr. HAYS. Do you subscribe to the legal concept that a board of directors of a corporation is responsible for the acts of that corporation?

The CHAIRMAN. Yes, I do.

Mr. SARGENT. One of the questions before this committee, and a very important and a very serious one, is going to be to decide whether the condition we have here is negligence, abdication of duty, or deliberate intent.

Obviously, there may be varying degrees and there may be conditions in certain departments and certain methods regarding the handling of their affairs, to explain the condition we have here. I am purposely not naming names on these boards except where I have something indicating that a specific person did a specific thing.

I did state in the opening of these hearings that I thought there was an antitrust question involved here, and I am entirely convinced that there is such a question. The discussion seems to have brought it up at this point and so now I want to mention it briefly.

There is a rule announced recently by the United States Supreme Court, in an opinion rendered by Chief Justice Warren, which has a very close bearing on this matter before us. It is the case of Hernandez against Texas, case No. 406, October term, 1953, decided May 3 this year.

The immediate question involved there was discrimination against one of the Mexican race convicted of a crime in the State of Texas, who protested the grand jury system and also the trial jury system in the State on the ground that members of his race were systematically excluded.

He proved no specific exclusion, but simply said the pattern showed on its face that it was discriminatory, and that a pattern of that character in itself was sufficiently legal proof to maintain his charge.

The Supreme Court unanimously sustained that contention and gave the following statement of law which I think is pertinent, and so I quote:

> Circumstances or chance may well dictate that no persons in a certain class will serve on a particular jury or during some particular period, but it taxes our credulity to say that mere chance resulted in there being no members of this class among the over 6,000 jurors called in the past 25 years. The result bespeaks discrimination, whether or not it was a conscious decision on the part of any individual jury commissioner.
>
> The petitioner did not seek proportional representation, nor did he claim a right to have persons of Mexican descent sit on the particular juries which he faced. His only claim is the right to be indicted and tried by juries from which all members of his class are not systematically excluded. Juries selected from among all qualified persons regardless of national origin or descent, to this much he is entitled by the Constitution.

A similar rule has been applied in antitrust cases, particularly in the so-called theater cases, involving the right to use first-run moving pictures, where certain groups in the industry get together and it just automatically comes out that certain people always get the first-runs and other people never get them.

Decisions on that are *Interstate Circuit, Inc.*, v. *United States* (306 U. S. 208), *Ball* v. *Paramount Pictures* (169 Federal Second 317), from the Court of Appeals in the Third Circuit.

Now, we wish to request this committee to apply a similar rule to the matter before us and to decide by means of a sworn questionnaire properly drawn whether there has been in fact systematic discrimination on the part of these large foundations against pro-American projects and anti-Communists, and others, seeking to support and defend the United States Government.

I am talking now about the chairman's speech relied upon by the House in the adoption of this resolution before you. We would like to request——

Mr. HAYS. May I interject right there, to keep the record straight, now you can impugn the motives of a lot of people, but let me finish here. When you say that the House relied on the chairman's speech, and I am not even going to quarrel with that, I just want to have the record show that in the speech that appears in the record, the chairman only made about 2 or 3 minutes of it and the rest was inserted later, long after the House had voted.

It was done by unanimous consent which is a perfectly legal procedure.

The CHAIRMAN. I am sure the gentleman from Ohio wants to be reasonably accurate. As I recall, being in charge at the time, I yielded myself 20 minutes.

Mr. HAYS. And the interchange of where people interrupted you, it will show where.

The CHAIRMAN. A substantial part of it was made on the floor.

Mr. HAYS. I won't argue with the gentleman on that.

The CHAIRMAN. With reference to my speech since it has been characterized so frequently, I want to say this, for the information of those who have been referring to it so frequently, that I was an advocate when I made that speech. I had introduced a resolution which I was asking the House to favorably consider. It was incumbent upon me as the author of the resolution to set out the reasons why I thought

the resolution should be adopted. It was not incumbent upon me to discuss or set out both sides of the question, in the sense of the word that it becomes my responsibility now to see that both sides of the question are fully developed.

We were discussing as to whether the resolution should be favorably considered by the House, and I was pointing out why it should be favorably considered, which just as I referred yesterday, and just as Judge Cox did when he was setting out why his resolution should be adopted, he mustered all of the reasons, I assume, or at least many reasons, and some of them are stated in pretty strong language as to why the resolution should be adopted. I think it is even stronger than what can be found in my speech.

But I am just saying that to give the viewpoint from which my speech was made. After I made the correction with reference to the time.

Mr. HAYS. The gentleman will understand that I feel he had every reason to give his viewpoint, and I am not questioning anything he said; but Judge Cox's statement was pretty strong, I will agree with you. But Judge Cox later had quite a change of heart.

The CHAIRMAN. I may have.

Mr. HAYS. You anticipated my question.

The CHAIRMAN. I tried to anticipate it.

Mr. HAYS. I was going to ask you if we could hope for that.

The CHAIRMAN. There is one legal concept, and this is in all seriousness—there is one legal concept about foundations that has disturbed me. One of the fundamental concepts of American jurisprudence is the rule against perpetuities. That is, we are inhibited under this great American concept from passing property beyond the second generation.

I fear that by a device of foundations—and this is not characterizing the foundations, whether it is good or bad, but it is just as prevalent in good foundations as in bad foundations, if the two classes exist. A family, whether it owns a large or small fortune, or a man in the same case, can set up a foundation and put the voting stock of that enterprise in the foundation, and name the board of directors of the foundation, and then provide that that board shall be self-perpetuating, and possibly, as has been found in some of the foundations—and I will not name them now—that the board cannot sell any of that stock that controls the enterprise except by unanimous consent of the board of directors.

That angle is a legal concept involved here that has disturbed me, and which I think the committee ought to give consideration to in connection with its deliberations.

Mr. HAYS. I think that you have a very good point there, and I am glad we find something occasionally we can agree on, but what you have said brings in a foundation which I think is perhaps the most outstanding example of what you are talking about, that has not even been mentioned and so perhaps we ought to look them over; I do not know. That is the Duke Foundation. There is the one that I know about, that that foundation cannot sell one share of Duke stock unless, I believe, it is the unanimous decision of the board.

Now let me just finish, and I am not going to say anything that will offend you. The Duke Foundation has done a lot of worthy things, and from what little I know about them they have established a great

fund that the Duke University Hospital operates under. I happened to have the privilege—and I won't even mention what time it was, so that there will be no political connotations—to go to Duke University, because at one time school teachers could go there without paying tuition because of the Duke Foundation. I won't say what year it was, but I was teaching, and I wasn't getting much money, and so I was looking for a place to get what I wanted in the way of education as cheaply as possible. But that might be a thing that we ought to look into, and I am not going to take any more time, except to say that I concur with you, and that happens to be the one that I know the most about, that does that very thing.

The CHAIRMAN. But the same thing applies, in one degree or another, with all of the foundations, or almost all of them. It is a question of degree. The mere fact that that one foundation might not require unanimous consent of the board to dispose of the voting stock of a corporation would not be controlling.

I am sorry. I only interjected that as a legal concept in connection with foundations, and it disturbed me from the very beginning.

Mr. HAYS. If we just go into that a little bit in this committee, it might be more conducive of good than some of the stuff we have been hearing.

The CHAIRMAN. The staff has been going into it, I assume, because one of the earlier suggestions I made to them was along that line.

Mr. SARGENT. The request I wish to make to the committee is that a suitable questionnaire be signed under oath by responsible officers of these various foundations, at least those engaged in the educational field—that is what we are talking about in this particular social study area—and in matters having to do with behavioral studies, psychology, and anything capable of dominating or affecting the mind or the thought of a man. It should be requested from these foundations whose capital is sufficiently large to give some degree of economic power and influence—the amount, of course, is subject to your judgment, perhaps $25 million is a starting point for capitalization—in order to elicit information which seems clearly to be within the scope of the House resolution.

For example, willful discrimination without cause against certain types of activities here is unfair, in a very real sense, it is un-American, and it is not in accordance with the purposes of a foundation charter which is a public enterprise.

I would like to suggest such a questionnaire be prepared, to elicit the following information:

First of all, whether the foundation interrogated has made grants to pro-American projects from some designated period of time. To get a good picture here, suppose we start with 1930, and run up to date. Ask for a list of what, if anything, they have done along that line, and require them to describe briefly the nature of the project.

Whether they have supported studies which are critical of the welfare state and socialism, or demonstrate the merits of the competitive private property system.

Whether they have made any grants to active anti-Communist and repentant Communists who have served the United States at self-sacrifice by exposing communism within our borders.

Mr. HAYS. Let me hear that last one again.

Mr. SARGENT. I am reading from the chairman's speech here:

Whether they have given grants to active anti-Communists and repentant Communists who have served the United States at great self-sacrifice, by exposing the Communist conspiracy within our borders.

Mr. HAYS. Do you mean you are advocating that we give grants to repentant Communists?

Mr. SARGENT. People who have a demonstrated record of defense of American principles under present conditions.

Mr. HAYS. You might get a lot of repenters on a thing like that.

Mr. SARGENT. People with an established record, you know what I mean—people like Whittaker Chambers, for example. Those who have served and demonstrated their patriotism and who have gone through hell, mentally and otherwise, to stand up and defend this country of ours. Those men are entitled to consideration, and to public respect.

Whether they have made any such grants in educational projects relating to national defense and security, or the support or defense of the Government of the United States.

Whether they are now, regardless of any prior policies, ready or willing to make such grants.

Whether they are willing to make such grants for purposes of critical study and analysis of the findings and conclusions of other men in education heretofore aided by foundation grants for the purpose of placing the other point of view before the people and having those findings published and made publicly available.

Whether they are willing to have those studies made on the recommendation of some group not dominated by the foundations themselves, or by any organization which has presently had the direction and control of the sources into which this foundation money has been placed.

In other words, it should be a completely objective, outside arrangement formed in some proper way.

That will get you the facts. We won't have to debate about it.

Mr. HAYS. I just have a question there, and I would not want to debate it. I am casting no aspersions on your suggestion whatsoever, and I just want to try to get an opinion here. Do you think such a questionnaire would have any effect of looking like intimidation to the foundations?

Mr. SARGENT. I don't call it intimidation to ask these people whether they are prepared to perform what I think is fully their duty at this time.

Mr. HAYS. In other words, you are pitching for some funds for the Sons of the American Revolution.

Mr. SARGENT. No, sir, I am pitching for some funds for the American people, who are the beneficiaries of these trusts and who are entitled to have the money made available to defend their country.

Mr. HAYS. You are pitching to have them give the people that you approve of?

Mr. SARGENT. I am pitching for everybody.

Mr. HAYS. That is a magnanimous statement.

Mr. SARGENT. It is true. I think that we should find out through an appropriate questionnaire whether these foundations are now willing to conform to the standards of foundation conduct referred to here: Patriotism, loyalty, obedience to their charters, academic re-

sponsibility, and also a respect for their exemption privilege. Such projects could now be started and organized under proper auspices and there are dozens of competent men in the anti-Communist field who could form a group just as responsible and just as effective as this Council of American Learned Societies, which seems to direct all of this money of the giant foundations into such very strange places.

It may be all of this in the past is a mistake, and if it is, all right, let them say so. But this will get you the facts. If Congress should find—and I certainly hope it will not find—but if Congress should find that these people have not done it in the past, and they have no intention of doing it in the future, I think that that is something that the House of Representatives wants to know about.

Mr. HAYS. I think anybody, Mr. Sargent, in any foundation could answer your questionnaire without any fear whatsoever of being prosecuted for perjury or anything of the kind, and answer it favorably, and still go right ahead and determine which people they are going to give money to. Because your saying so does not make it so. They may not agree with you.

Mr. SARGENT. There is a discrimination pattern here which has definitely affected the book trade, and under which apparently almost entirely one class of literature gets into the channels of interstate commerce. In any event——

Mr. HAYS. Your book that you cited this morning, only yesterday got into interstate commerce; and after I pointed out what kind of a book it was, you repudiated it. I do not know how many more of these you will repudiate when I have a chance to examine them, but it will be interesting.

Mr. SARGENT. Have you any objection to such a questionnaire being submitted?

Mr. HAYS. The Chair and I, I think, are prepared to agree that we will take the request under advisement.

The CHAIRMAN. Such a questionnaire would appear to be material to this investigation and can be included as the suggestion of the witness.[1]

Mr. SARGENT. In order to make the request specific, between now and the time I come back for questioning, I will prepare the outline of what I think should be sent.

The CHAIRMAN. Had you repudiated the book to which you made reference?

Mr. SARGENT. No. Of course not.

Mr. HAYS. All but one paragraph.

Mr. SARGENT. No, I didn't. I said the rest of the statements are not necessarily authoritative as a research work.

Mr. HAYS. But you just stated one paragraph was authoritative.

Mr. SARGENT. I said I wouldn't take it one way or the other because I had nothing to do with the matter at hand.

Mr. HAYS. I think that the audience here knows that you pretty generally repudiated the book, except for one paragraph.

Mr. SARGENT. This is a proposal to get specific information, and I think it is a very inexpensive way and a very effective way, and the results will be entirely factual, and I would like leave to prepare a suggested form of questions that the staff might want to consider and the

[1] The questionnaire suggested by Mr. Sargent appears following his testimony on p. 398.

committee might want to, as a means of performing part of your responsibility on this matter here. I think that it would be highly important to do. I will prepare such a statement.

Mr. HAYS. You will submit it, and not as part of the record.

Mr. SARGENT. I will submit it when I come back for testimony, and whether it is in the record or not is a decision of the committee. I would like to make a specific presentation.

Mr. HAYS. I want the record to show that I am not hiring you to prepare anything.

Mr. SARGENT. I am doing it as a part of my presentation here.

Now, if it please the committee, I have other material which is interesting, and I think since we are trying to conclude this matter today, I will first cover some major points of general importance to you and then go back and, to the extent I have time, take up these other matters.

First of all, I would like to discuss the public policy aspects of this situation. There seem to be a number of them. One is the monopoly, the question of monopoly, and economic power.

The tendency of large blocks of capital to gravitate into foundation control; the danger inherent in the mere size of a giant foundation such as the Ford Foundation, just because of its magnitude, half a billion dollars, under control in one place; the extent to which interlocking directorates increase that danger; and the parallel you have here, these foundations are acting as intellectual holding companies with power to dominate and direct public opinion. They are intellectual holding companies to build new social orders acceptable to themselves and not necessarily orders which the people themselves, without the pressure of organized money, would necessarily adopt or promote.

There is a question in line with that. Here is an example of the use of economic power. It concerns the Ford Foundation. I have here before me a photostatic copy of a very recent publication called the Corporate Director, a publication of the American Institute of Management. I understand that it has an economic service. This is the issue of April 1954, volume IV, No. 1. It contains a study on the Ford Motor Co., the first section, and the photostat I have here is a complete copy of that portion of that release.

Mr. HAYS. Who put it out?

Mr. SARGENT. The American Institute of Management.

The article is factual, and it commends itself to me as containing some important facts here. I would like to ask that this particular statement be put in as a part of the transcript, and I will summarize for you the nature of what it is.

It refers to the effect of the Ford Foundation owning 90 percent of the capital stock of the Ford Motor Co. The fact that the members of the Ford family are the officers of the Ford Motor Co., in a position to draw salaries as may be determined, and in a position to allow the motor company to run at a cost basis with no dividends, and, by means of that, to bring to bear destructive economic power on competitors of the Ford Motor Co. which have to pay dividends to stockholders and have to maintain a credit position, which a corporation doesn't have to do when a large foundation owns almost all of the stock.

Mr. HAYS. They have not been very successful with GM, have they?

Mr. SARGENT. The article points out the fact that in 1928, Ford did that with very destructive economic consequences.

Mr. HAYS. Mr. Sargeant, you are not advocating that we should break up the Ford Motor Co. like some people say we should break up the New York Yankees, are you?

Mr. SARGENT. No, sir. I am talking about the question whether a foundation ought to be permitted to own the large blocks of stock in an economic concern such as this.

Mr. HAYS. That brings me down to a very important question. You seem to know a lot about this matter, and can you tell me any other way the Fords could have hung onto their motor empire except this; if they had to put it in where they paid the taxes on it, somebody else would have been in there.

Mr. SARGENT. They can do this in perpetuity as we stand now, and that is one of the dangerous weaknesses on this.

Mr. HAYS. But I asked you a question: Do you know of any other way the Ford family could have hung onto the Ford Motor Co.?

Mr. SARGENT. Probably not, but I am not sure that the Federal Government should help them hold onto that stock.

Mr. HAYS. I am not sure, either, but I just wonder if there was another way.

Mr. SARGENT. I presume there wasn't. This article discusses this economic question——

Mr. HAYS. But you almost begin to talk like one of these Socialists that you are complaining about. Here is preserving this great American fortune in a way which you admit is the only way in the world they could have done it; but you think that is bad. We have just been around nearly a full circle now.

I am not expressing an opinion.

Mr. SARGENT. You will like this part of my testimony, but not the other part.

Mr. HAYS. No, I don't. Ever since the famous statement about what is good for General Motors is good for the country, I do not even run a General Motors car any more. I am a Ford man. That is, just buy the cars, and I only own one of them.

Mr. SARGENT. This article discusses that question, and it says the purpose of the Ford Motor Co. is simply to receive and administer funds for scientific and educational purposes. It says no other automobile manufacturer is in a position to ignore stability of earnings or continuity of dividend payments. That if General Motors or Chrysler earned no money, the management heads would roll and equity credit would be impaired. Ford could declare no earnings and the public not even know of it. All the public would know is that the Ford car was top car on the production sheets and in the dealer's hands.

Mr. HAYS. Mr. Sargent, right there, if they do not make any money, the foundation does not have any money to operate on; is that right?

Mr. SARGENT. Not at all. It has half a billion dollars, and it can operate for years and years on capital.

Mr. HAYS. In other words, it has a half a billion dollars besides its stock in the Ford Motor Co.?

Mr. SARGENT. It has a total of half a billion, and I don't know what all of the portfolio is.

Mr. HAYS. That is an important question. Is their money in Ford Motor Co. stock, or have they got a billion in loose change?

Mr. SARGENT. They could sit on this situation and live on capital for a while if they desired to.

Mr. HAYS. Let us not in any event say that. I want to know where their money is. Is it in Ford Motor Co. stock, or is it in cash? That is important, I think.

Mr. SARGENT. It may be one and it may be the other, I don't know.

Mr. HAYS. You made a statement inferring that it is neither fish nor fowl, or whatever you wanted it to be.

Mr. SARGENT. I said they have half a billion total assets, and that is what their report shows, and they had 90 percent of the Ford Motor Co.

Mr. HAYS. Is there any way in the world, in order to make that statement have some relation to the picture at all, that we can get the staff to find out just what their assets are and whether it is in cash, stock, or what?

The CHAIRMAN. The staff can do it or, when we have a witness from the Ford Foundation, I anticipate that that will be done.

Mr. SARGENT. This organization says it is their belief that Federal legislation is needed that will prohibit any charitable foundation, pension, or fund from owning or controlling more than 10 percent of any business enterprise and, if nothing else, the Federal authorities should not allow tax exemption on income for more than 10 percent ownership in any business corporation. Otherwise, the public has no voice in the company, and the profit motive cannot survive due to the great advantage enjoyed by companies that can offer unfair competition.

Mr. HAYS. You are inferring there, from reading that statement, that the public should have some voice in the company.

Mr. SARGENT. They mean by "public," have a voice in the general distribution of shares.

Mr. HAYS. I am a rugged individualist, and I have a dairy farm and I have a few head of cattle, and I do not want the public to have any part of running my enterprise. I am going to run it myself.

I suppose, or I thought that was part of this rugged Americanism that we are all for. Now you say that the public does not have anything to do with running the Ford Motor Co., and they didn't have anything to do with it when Old Henry was in it. There was a fellow by the name of Couzens, of Michigan, and he put $5,000 into it, and Henry was genius enough—and I am talking about the original Henry—that he made enough money that he was able to pay Senator Couzens $30 million just to get him out of the company so he could run it.

That is not bad, is it?

Mr. SARGENT. This legal device known as the foundation is now used to keep perpetual control.

Mr. HAYS. Do you think that is bad?

Mr. SARGENT. I think once a corporation gets the tax-exemption privilege, it enters into an area where it is subject to a degree of public legislation that it is not subject to as the individual owner would be, certainly. This is public trust money.

Mr. HAYS. Right there—and I hope that you can be helpful to us—do you have any suggestion about any law that we might pass whereby Congress or some other body could get in the picture of running this fortune?

Mr. SARGENT. Gradually you can do two things: One is, you can prohibit the perpetual ownership of large blocks of stock like that in

these corporations, and compel orderly liquidation under penalty of forfeiture of the exemption privilege. It is just like Samuel Insulls' empire was broken up by holding-company legislation. You can attack this evil.

Mr. HAYS. I know a little bit about Samuel Insulls' empire, and it wasn't broken up so much by holding-company legislation as it just went bust.

Mr. SARGENT. It led to this other legislation, which has been considered important.

Mr. HAYS. Someone got to looking through the paper one day and found it wasn't worth wallpaper.

Mr. SARGENT. I think this merits committee consideration, and I ask this be made a part of the record.

Mr. HAYS. May the committee look at it before it is made a part of the record?

Mr. SARGENT. I don't want to read it all.

The CHAIRMAN. I think that you have read it.

Mr. HAYS. If you don't mind, I would like to see the heading of it.

Mr. SARGENT. The other situation is not photostated, because it relates to another matter.

Mr. HAYS. It is published by the American Institute of Management. What is that?

Mr. SARGENT. I am simply presenting it as being a factual statement of a problem here of importance.

Mr. HAYS. I see no objection to it. I do not know who made the study, but it can be put in the record and stand on its own merits.

Mr. SARGENT. That is all I am asking.

The CHAIRMAN. Without exception it is so ordered.

(The study of the Ford Motor Co. as published in The Corporate Director, follows:)

[From the Corporate Director, April 1954]

BACKGROUND STUDIES IN MANAGEMENT ACTION

1—Ford Motor Co.

2—Pennsylvania Railroad Co.

Those old enough can perhaps recall the introduction of the Ford Model A to the automobile market in 1928. This new car hit the dealers when consumer demand was on the toboggan, and represented the elder Henry's attempt to recapture a major share of auto sales. It proved to be too much production too late. In later years, more than one economist has retrospectively referred to this increased model A output, with its concomitant ill effect on many Ford dealers, as the straw that broke the camel's back, and helped precipitate the deep depression of the thirties. No such general business decline would have occurred had not conditions been ripe, but, nonetheless, Ford dealers were beset with difficulties on a particularly large scale.

By the same yardstick, we must now measure the Ford Co.'s determined effort to become top again by expanding output in the face of dwindling demand. There can be no doubt of the fact that Ford is expanding and producing so as to outdistance Chevrolet. This is a matter of public record (see table 1 and table 2). Just as the great majority of automobile dealers know this to be true, they also have reason to believe that demand is already exceeded by current output of all automobiles. (The excess output of the past few years is generally estimated at a figure between 400,000 and 500,000 cars.) In some cities the situation is so unfavorable that best quality used cars can be had for as little as $10 downpayment. Most new cars may be purchased at dealer's cost. Bankruptcies of car dealers grow.

A large and influential bank recently published an economic opinion to the effect that depressions cannot be prevented—only retarded.

We disagree with this economic contention. Production and price correction are needed in order to eliminate the careless and the incompetent, and to re-establish markets on firm foundations. However, they need not be disastrous, nor need they occur in all industries at the same time.

GOVERNMENT ACTION

We concur in the Federal Government's obvious belief that action can and should be taken by Government to encourage a rolling correction—industry by industry—and, thus, protect the economy as a whole from paralysis. Hasn't this very circumstance been occurring in the last few years to a greater degree than ever before? Look at the recent records of the textiles or the pharmaceuticals, or the radio and television producers, as evidence that overproduction can occur and be corrected within several industries without national calamity. Why cannot this continue to be so if the proper Government action is available?

No competent financial man doubts the good that has come from SEC regulations of the securities markets, and by the same token the businessman must know that the same principles can, under certain circumstances, apply to conduct in his sphere of activity. It is said only the strong may survive, but when it becomes obvious in any given industry, such as the automobile business, that strength lies principally in size, then we must amend this saying to "only the big survive." This we cannot accept.

Yet the battle of the giants is now upon us. If we are to have an old-style depression, it will undoubtedly come as a result of the unwillingness of large producers to cut production for fear they will lose their dominance of the national market. In no other industry will this be so true as among the automobile manufacturers.

TABLE 1.—*Growing competition in the automotive industry*

Year	General Motors	Chrylser	Ford	Total Big Three	Independents
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
1941	48.37	23.37	18.28	90.02	9.98
1948	40.04	21.21	19.13	80.38	19.62
1952	41.53	21.96	23.17	86.66	13.34
1953	45.65	20.33	25.21	91.19	8.81

Source: Automotive Industries.

TABLE 2.—*Current automobile production*

[Low-priced cars—as of Mar. 8, 1954]

	Last week	Like 1953 week	Previous week [1]
Ford	30,292	20,291	28,591
Chevrolet	25,700	26,585	29,119
Plymouth	6,774	13,213	6,040
Studebaker	2,216	3,915	1,896
Hudson	850	2,171	0
Nash	771	4,969	1,581
Willys	400	670	350
Kaiser	295	1,208	224

[1] Revised.

Source: Ward's Automotive Reports.

In the year just past, General Motors increased its percentage of the total output from 41.5 percent to 45.6 percent, while Ford output rose from 23.1 percent to 25.2 percent. In the meantime, all the others, including Chrysler, lost ground. We now see a mad scramble among the independents to merge and fight for survival. It is fast becoming fact that survival can be possible only through mergers in a great many industries. The really profitable and, therefore, safe business enterprises of today are those that can abandon a market once it becomes overcompetitive, and concentrate on new items out of research. This is the fact behind the outstanding success of such companies as Du Pont, Union Carbide, and Minnesota Mining & Manufacturing.

It is a serious matter to our entire economy that an industry as important as the production of automobiles is now almost surely at the mercy of 2 warring giants, 1 with the benefit of Government favor and the other with the incalculable advantage of a tax umbrella. General Motors has taken the place of Kaiser-Frazer at court, perhaps on the premise that to the victor belongs the spoils. We all know that military tank production is now on a 1-contract basis with General Motors, yet any large manufacturer will tell you that every large business should have the safety of 2 or more supplies of any 1 article.

But the main theme of our story is the Ford Co. and its tax position. In the first week of the current year, total car production was at the annual rate of 6.2 million cars (much in excess of last year's sales), yet Chrysler, Hudson, and Studebaker were cutting production. The battle was essentially between Chevrolet and Ford. It is admittedly, and publicly, a policy of the Ford Co. to once again outproduce and outsell the Chevrolet by the simple method of forcing dealers to take shipments as they are scheduled at the factory. The philosophy of this may be explored as follows—"build more and better production facilities, produce more and more, regardless of the effect on the national economy, so long as we do not produce more than the total market." The quotation is ours.

At the recent 5-day meeting of the National Automobile Dealers' Association in Miami, Mr. L. D. Crusoe, general manager of the Ford division of the Ford Co. stated, "If we let the dealers tell us how much to produce our output would fall and prices go up. Unless we talk this business to death, we won't have enough cars by April."

Enough cars for what? The embarrassed dealers? The overcrowded roads? The partial payment plans? But all this is still fairly extraneous. The main purpose of our study is to point out that the attitude at Ford is different from that of other auto manufacturers. Why is it different and what should be done about it?

TAX-EXEMPT FOUNDATION

TABLE 3.—*Highlights in the growth of the Ford Foundation*

Year:	*Total assets (thousands of dollars)*
1936	[1] 25
1943	[2] 30,500
1950	[3] 510,972
1952	[3] 518,422

[1] Incorporated in Michigan, Jan. 15, 1936, on a grant from Edsel Ford.
[2] Outright grants from the Ford family and the Ford Motor Co. since 1936. Edsel Ford died in 1943. Part of his estate was eventually bequeathed to the foundation.
[3] The greater part of these assets consisted of 3,089,908 shares of class A nonvoting common stock of Ford Motor Co. carried at $135 per share; valuation fixed for estate tax purposes in settlement of the late Henry Ford's estate.

Sources: Business Week, Oct. 7, 1950. The Ford Foundation Annual Reports, 1950 and 1952.

The Ford Motor Car Co. was owned by Henry Ford, the First, at the time of his death on April 7, 1947. The taxable value of the company at the time was so great public sale would have resulted had not a tax-exempt foundation been formed to receive the stock of the company tax free.

The Fords made the foundation the residuary legatee for their estates. Their heirs were named to receive specific bequests. Deducted from the amounts

willed to the Ford Foundation were the estate taxes owed to the Government by the Ford heirs as a result of their legacies. Therefore, though the foundation's bequest was not taxable, the money it actually received was reduced by the taxes on the other part of the estate.

The purpose of the Ford Foundation is simply stated in its charter: "to receive and administer funds for scientific, educational, and charitable purposes, all for the public welfare." So now, most of whatever dividends are paid by Ford go to the Ford Foundation and, regardless of the doubts that many informed individuals have as to the wisdom of this foundation's disbursements, the fact is that control of the Ford Co. remains in the hands of the Ford family. Total outstanding stock of the Ford Motor Co. is 3,452,900 shares. Of this, the Ford Foundation holds 3,089,908 shares of class A nonvoting stock. The remaining 10.5 percent, or 362,992 shares, is owned by the Ford family. Their holdings include all 172,645 shares of voting stock.

TABLE 4.—*Directors of Ford Motor Co.*

Name	Outside	Inside
Henry Ford II		President—Ford Motor Co.
Benson Ford		Vice president, Lincoln-Mercury Division.
William C. Ford		Vice president.
J. R. Davis		Do.
Ernest R. Breech		Executive vice president, Ford Motor Co.
William T. Gossett		Vice president and general counsel.
John S. Bugas		Vice president, industrial relations.
L. D. Crusoe		Vice president, manufacturing (Ford Division).
D. S. Harder		Vice president, manufacturing.
T. O. Yntema		Vice president, finance.
Irving A. Duffy		Vice president, purchasing.
Harold T. Youngren	Director of Ford Motor Co.	
Donald K. David	Dean, Harvard Graduate School of Business Administration.	
James B. Webber, Jr.	Vice president, general manager and director of the J. L. Hudson Co. Department Store.	

TABLE 5.—*Trustees of the Ford Foundation*

Name	Outside	Inside
Henry Ford II [1]		President, Ford Motor Co.
H. Rowan Gaither, Jr.[2]	Chairman, Pacific National Bank of San Francisco.	
John Cowles	President, Minneapolis Star & Tribune Co.	
Frank W. Abrams	Chairman, Standard Oil Co. of New Jersey.	
James E. Webber, Jr.		Also, member of board of directors, Ford Motor Co.
Donald K. David		Do.
Charles E. Wilson	Chairman of executive committee, W. R. Grace & Co.	
Benson Ford		Vice president, Ford Motor Co.
Charles E. Wyzanski, Jr.	Judge, United States District Court, Boston, Mass.	

[1] Chairman of the trustees.
[2] President and director, the Ford Foundation.

How else could one explain Henry II being president and his two brothers being vice presidents? Whether or not the Ford Motor Co. makes a profit or pays any dividends in any one year is of scant consequence, either to the company itself or the Ford family. Neither their salaries nor their positions are affected.

No other automobile manufacturer is in a position to ignore stability of earnings or continuity of dividend payments. If General Motors or Chrysler earned no money and paid no dividends this year, management heads would roll.

and equity credit would be seriously impaired. Ford could report no earnings and declare no dividends, and the public would not even know of it. All the public would know is that Ford car was top car on the production sheets and in the dealers' hands, regardless of the economic disaster of overproduction that could result.

The AIM has given much study to this problem, and has decided to pass on to its members, and all those concerned with business theory, the benefit of its findings. It is our belief that in this case, and in many others, Federal legislation is needed that will prohibit any charitable foundation, pension fund, or union, from owning more than 10 percent of any business enterprise. If nothing else, the Federal authorities should not allow tax exemption on income from more than 10-percent ownership of any business corporation. Otherwise, the public has no voice in the company, and the profit motive cannot survive due to the great advantage enjoyed by companies that can offer unfair competition through lack of need for equity credit. This necessary legislation can also prevent families from entrenching themselves without due regard to their ability.

Both these problems are serious, whether the business be large or small, if we are to remain a nation of competent businessmen.

The CHAIRMAN. In connection with the question you raised a moment ago, if there was any way by which control of that particular company could have been retained by the family without creating a foundation, as I see it, that raises a question as to whether our tax structures would be such as to make it difficult for a family to go along and hold their fortune, whether it is big or little.

Mr. WORMSER. On that point, a labor union had a very interesting committee several years ago studying foundations, and they came up with an interesting suggestion. That was that no foundation should have in its portfolio more than 5 percent of the stock of a private corporation, because if they had more than that, such as the Duke thing, there might be a tendency of the foundation people to worry too much about the welfare of the private corporation, to the detriment of the foundation. That is just one suggestion that one committee came forth with.

The CHAIRMAN. Another suggestion that has been made, with reference to the legal structure of foundations, is that there might be a requirement or there might be a limit placed on the life of the foundation, and that they be required to be liquidated in a certain period of years, that is, use the assets as well as the income.

Mr. SARGENT. I was about to speak to that perpetuity question, Mr. Reece. One of the very serious difficulties confronting anyone drafting a trust is this matter of perpetual existence. The donor of a trust may select men of judgment known to him who can be relied on because of their integrity and their experience, and so forth, to carry out a desired purpose and to see it through. If men of experience are selected, the average trustee will be probably around 40 years old or closer to that period. If you run along beyond 25 years after that point, you will have men of age 65, retirement age, and you will have the filling of vacancies by the action of a majority of an existing board, and you develop more and more in certain directions. And experience seems to indicate that some of these evils we are talking about are the result of perpetual trusts which are unsound in practice.

Mr. HAYS. You say you have people over age 65. Do you mean that is not so good?

Mr. SARGENT. The tendency is to reach normal retirement age, and that is the way the timetable works on many people, in practice.

Mr. HAYS. Then they become foundation trustees? I do not understand.

Mr. SARGENT. I say a trustee, an original trustee age 40 when appointed, when the trust has had a life of 25 years, will be a 65-year-old man, and that you will have through natural causes a considerable replacement in your directorate on that foundation because of the lapse of time.

Mr. HAYS. I did not want to misunderstand. You did not advocate they should have to retire at age 65?

Mr. SARGENT. No. But the normal operation of the mortality table brings that about.

The CHAIRMAN. The committee will stand in recess for about 15 minutes.

(Brief recess.)

The CHAIRMAN. You may proceed, Mr. Sargent.

Mr. SARGENT. We were discussing public policy questions involved in this foundation matter.

One question of great and far-reaching importance is the extent to which these giant foundations are guardians, acting in fact as guardians of the people, for all practical purposes. Andrew Carnegie a number of years ago announced what has been referred to as his gospel of wealth. The dust jacket on the book known as Fruit of an Impulse—45 Years of Carnegie Foundation—1905–1950, by Howard J. Savage, contains a statement by Mr. Carnegie on the matter, I presume one made many years ago. It refers to the obligation of a man of means to do charitable and worthwhile things for others, which is an entirely commendable impulse and very understandable. His obligation to administer his personal money in a way which, in his judgment, will be beneficial, and so forth.

The concept here to which I refer now is the indefinite handing down of that sort of a guardianship power to others to be executed or administered perpetually, and to impress their so-called superior wisdow on the community.

The part of the statement that I think is pertinent, I want to read now as follows:

> Called upon to administer and strictly bound in duty to administer in a manner which in his best judgment is calculated to produce the most beneficial results for the community, the man of wealth thus becoming the mere trustee and agent for his poorer brethern, bringing to their service his superior wisdom, experience, and ability to administer, doing for them better than they would or could do for themselves.

That, of course, was Carnegie's concept of himself, but in practice these trustees have adopted the same concept of their trust money and of what they may do.

I have here a certified copy of the articles of the Ford Foundation, and this is a photostatic copy but it is a true copy, I am sure, furnished to me by the secretary of state of the State of Michigan. I have read this, and this article II here—the only part pertinent to our present purpose—is that these trustees have power to receive and administer funds for scientific, educational, and otherwise charitable purposes, all for the public welfare.

I find not a single restrictive clause in here limiting in any way what these gentlemen may do. If they say it is public welfare, so be

it, it is public welfare. It is absolute power to shape the destiny of a nation. The corporation has perpetual existence. That is under article VII. It has a series of subcorporations. One of them is known as the Fund for the Advancement of Education, which operates, I understand, in the formal education field, colleges, and possibly elsewhere.

This corporation has also general power to receive and administer funds exclusively for scientific, educational, and charitable purposes. Again for purposes defined by a self-perpetuating board of trustees.

From what I have been able to determine, this is really in a financial sense a captive corporation of the Ford Foundation, because its operations would stop any time that the appropriations stopped. The Ford Foundation passes it over to this one, and this one then administers. So this is a hand, and the Ford Foundation is the body. That is the arrangement.

We have another one here which operates in the adult education field, called the Fund for Adult Education. It has similar corporate power, unlimited power to administer and receive funds for scientific, educational, and charitable purposes—which are whatever a self-perpetuating board says is charitable or welfare. There is no control whatsoever.

The people are the beneficiaries of these trusts, they are public trusts, and it is supposed to be public money. The people do not decide these policies, and when they protest them they find that the financial power of the foundation opposes their wishes, and imposes something else the people do not want.

The Ford Foundation used its financial power to attempt to resist the will of the people of Los Angeles in connection with a pamphlet known as the E in UNESCO. This pamphlet was put out by the Los Angeles City School Department, and it promotes various UNESCO activities, and it includes the international declaration of human rights.

Mr. Paul Hoffman, the president of the Ford Foundation, personally appeared before the Los Angeles Board of Education and sought to prevent the removal of these pamphlets out of the Los Angeles city schools by the action of a duly constituted board of the city of Los Angeles, and in so doing he engaged in lobbying, an activity prohibited to the Ford Foundation.

I have a news clipping, bearing date of August 26, 1952, Tuesday, in the Los Angeles Times, and it contains a picture of Mr. Hoffman, several other gentlemen with him, and the statement below reads as follows:

Urge that it stay—These proponents of teaching UNESCO were on hand as speakers. From left: Dr. Hugh M. Tiner, Pepperdine College president; Paul G. Hoffman, of Ford Foundation; Elmer Franzwa, district governor of Rotary, and William Joyce.

Mr. HAYS. What is wrong with that?

Mr. SARGENT. He has no right to engage in lobbying, and he was opposing a local matter and should not have in any way interfered with it. He was president of the Ford Foundation.

Mr. HAYS. You would not want anybody to say you have no right to come here and expound your views, would you?

Mr. SARGENT. He did it as president of the Ford Foundation, and used the power of the Ford Foundation as a leverage in the case.

Mr. HAYS. But you are president of a foundation, and I do not know the name of the foundation, but should you divorce yourself of that before you come down here and express your opinion? You cannot choke off opinion in this country.

Mr. SARGENT. I am here on your subpena, and responding as an individual.

Mr. HAYS. You offered to come, did you not?

Mr. SARGENT. I didn't offer to come. I was requested to come, and I did nothing whatever to initiate my coming here, sir.

Mr. HAYS. You mean to say this is the only committee in the Congress that brought you in, and the others you just tried to get before?

Mr. SARGENT. That is not so.

The CHAIRMAN. Since that question has been raised, I think possibly I should make a statement regarding it. Knowing of Mr. Sargent's standing and wide knowledge, or at least that was my information, in this field as it relates more particularly to the educational and propaganda aspect, I suggested to Mr. Wormser or Mr. Dodd, possibly both, that they have a talk with Mr. Sargent with a view of seeing, first, if he would be able to make a contribution to the study and, secondly, to see if he would be willing to come if the committee should invite him.

I do not know just how to word it, but that is the story with relation to his appearing here. I am confident the members of the staff carried it out.

Mr. HAYS. I do not care how he got here. I understood that the subpena is so he can get his plane fare, and I have no objection to that. But the fundamental point, I do not think we are trying to gloss it over intentionally, is, Does Mr. Sargent have a right to his views and Mr. Paul Hoffman does not, or do they both have a right?

Mr. SARGENT. Mr. Paul Hoffman has no right to lobby before the Los Angeles City Board of Education and actively urge that.

Mr. HAYS. Mr. Paul Hoffman, as president of anything at all, has a right to be a Republican and have Mr. Eisenhower elected.

Mr. SARGENT. He didn't go there as a Republican.

Mr. HAYS. I am asking you. If you would confine your answers to my questions, we would save a lot of time. I say he has a right to be a Republican.

Mr. SARGENT. Certainly.

Mr. HAYS. And he can still be president of the Ford Foundation.

Mr. SARGENT. That is correct.

Mr. HAYS. And he can make speeches for the Republican Party.

Mr. SARGENT. As long as he doesn't drag the name of the Ford Foundation into it.

Mr. HAYS. But if he appears there, and he is president of it, they are automatically going to say he is president of the Ford Foundation. I am a Member of Congress and I could go to a milk producers' meeting and talk about milk but if the papers said I am a Member of Congress, I could not do much about it.

Mr. SARGENT. He was brought out there actively by the American Association for the United Nations for the express purpose of making a presentation at that meeting.

Mr. HAYS. Mr. Sargent, I happen to know a little bit about Paul Hoffman, and I don't think that he was brought any place for any purpose. Paul Hoffman is a reputable, outstanding American, who

does not lend himself to any un-American activities, and when you imply that he does or that you use the word "propaganda" in a bad form, you are leaving the impression he did something he ought not to have done. I want to take this opportunity to disagree with you, and say to you that I don't think Mr. Paul Hoffman ever at any time did anything which would adversely affect the United States in any way, shape, or form.

Mr. SARGENT. He was overstepping his exemption privilege, and he was brought in there for a lobbying purpose.

Mr. HAYS. You say he was doing that, but that does not make it so. I keep repeating that.

Mr. SARGENT. I heard the officer of the local unit, in the Ambassador Hotel in Los Angeles, of the American Association for the United Nations discuss the arrangement for the bringing of Mr. Hoffman to that meeting and I was in their office at the time buying literature, and I overheard the conversation. Mr. Meherin was the name and that is when it was going on.

Mr. HAYS. You are inferring that because he was president of the Ford Foundation and he went out there to advocate this, he automatically brought the Ford Foundation into it.

Mr. SARGENT. They were discussing how they were going to handle it and they were afraid the UNESCO pamphlet was going to be thrown out and they were discussing other ways in which they could back up Mr. Hoffman and bring more strength to bear on that Los Angeles City Board of Education. I overheard that conversation, and I was in the office at the time. Mr. Hoffman was lobbying intentionally.

Mr. HAYS. When he advocated General Eisenhower's election he did that, but he had a right to do that.

Mr. SARGENT. He was doing this as an activity of the Ford Foundation in my opinion.

Mr. HAYS. I am glad that you put that in your opinion. Did the Ford Foundation pay his way out there?

Mr. SARGENT. I don't know who paid his way out there.

Mr. HAYS. But you would like to make a lot of nasty inferences about it.

Mr. SARGENT. I don't make any inference about anything about which I don't know. Mr. Hoffman was there and the clipping says he was there, and the name of the Ford Foundation was affiliated with it. The American Association for the United Nations, another organization, was distributing the literature or the pamphlet I have here, and it came from their Los Angeles chapter, Ambassador Hotel, which I obtained at about that time.

Now, briefly, I want to tell you something about this propaganda, which is also very favorably looked upon from the foundation's standpoint, and very vigorously opposed by an active body of American public opinion, because of its directive effect on our constitutional system.

Mr. HAYS. This propaganda that you talk about, this is Mr. Hoffman's propaganda?

Mr. SARGENT. The universal declaration of human rights.

Mr. HAYS. You were talking about Mr. Hoffman and propaganda.

Mr. SARGENT. I am talking about the pamphlet.

Mr. HAYS. Can you get back to Mr. Hoffman? Did you say he was distributing propaganda?

Mr. SARGENT. I said he was backing up this thing here, this UNESCO pamphlet before the Los Angeles City Board of Education.

Mr. HAYS. You are calling it propaganda.

Mr. SARGENT. This pamphlet is propaganda for the United Nations and its activities.

Mr. HAYS. Now, can you answer this question "Yes" or "No": Was Mr. Hoffman then actively engaged in this propaganda?

Mr. SARGENT. I understand that he was.

Mr. HAYS. All right; that is the question.

Now, that is bad, you say.

Mr. SARGENT. I say it is not in accordance with the tax exemption.

Mr. HAYS. Mr. Zoll, who has been cited by the Attorney General as a Fascist, you say what he puts out is not propaganda?

Mr. SARGENT. I didn't say anything about that.

Mr. HAYS. You defended him, and you are in a rather peculiar position, and you are defending a man on the Attorney General's list, and attack the reputation of a man like Paul Hoffman.

Mr. SARGENT. I did not defend Mr. Zoll, I said I knew nothing one way or the other. I said Mr. Zoll had been extensively smeared, and that the National Education Association sought to transfer the smear against Mr. Zoll to the people of Pasadena, and it did so.

Mr. HAYS. Mr. Zoll, a fascist, has been smeared, but you are not trying to smear Mr. Paul Hoffman, are you?

Mr. SARGENT. I am not trying to do anything except say he was there for political purposes, and he was.

Mr. HAYS. Mr. Chairman, if you sit here and let this man do this kind of thing to people like Paul Hoffman, I just want to state that the doors of the Democratic Party are open to him any time he wants to come in.

Mr. SARGENT. The clipping showing the presence of Mr. Hoffman in that meeting I will leave with the committee, this Los Angeles Times article, August 26, 1952.

Now, this UNESCO project for universal declaration of human rights is a very important thing, and I believe that you should have some of the story. The American Bar Association for several years prior to this had been urging that much more time be granted for study of this proposal because of its far-reaching effects. Their resolutions begin as early as the year 1949, and run through, as I recall, to about 1951, and they ask for a delay on the ground that the legal profession and the public had not studied this proposal, and it was of great importance. This pamphlet evidently was put into the schools at a time before the legal profession itself, or about the time the legal profession was beginning to get a sound idea and it was made school material in the meantime.

Let us have a look at this: Here is article 1, which overthrows an essential principle of the Declaration of Independence. The Declaration of Independence says that men have unalienable rights granted to them by God and the laws of nature. This says that men are born free and equal, and should act in a spirit of brotherhood.

Mr. HAYS. Now, then, right there——

Mr. SARGENT. There is no God in it, just brotherhood.

Mr. HAYS. Do you say that saying, now the very implication of brotherhood carries a connotation of religion, does it not?

Mr. SARGENT. A majority group sort of religion, but not the concept in the Declaration of Independence, sir.

Mr. HAYS. It is no inference, it so happens I believe in the Christian religion. I also understood that Christ preached brotherhood. Now are you saying there is something bad about that?

Mr. SARGENT. No, I am talking about the effect of this as a legal document.

Mr. HAYS. But brotherhood isn't good unless it comes from your side, is it?

Mr. SARGENT. I say this is bad to substitute this provision for the Declaration of Independence.

Mr. HAYS. To act in a spirit of brotherhood, I have sort of advocated that, and if I am being Leftist I would like to get away from it.

Mr. SARGENT. This is a substitution for the Declaration of Independence concept, and the present controversy over the Bricker amendment——

Mr. HAYS. Was it different, now, Mr. Sargent? You have a very voluminous flow of verbiage there but let us pick a little structure out of it. What did you say the Declaration said again?

Mr. SARGENT. The Declaration of Independence says all men are endowed by their Creator with certain inalienable rights, to which the laws of nature and of nature's God entitle them. That is the gist of it.

Mr. HAYS. We subscribe to that.

Mr. SARGENT. Yes; those rights belong to you and to me, at birth, and they are ours.

Mr. HAYS. Will you please read the other one?

Mr. SARGENT. The other one says all human beings are born free and equal in dignity and they are endowed with reason and conscience and should act toward one another in a spirit of brotherhood.

Mr. HAYS. You say that there is something subversive about that?

Mr. SARGENT. I didn't say subversive; I said it makes an important change in our basic law in connection with the other provisions of this declaration I am about to discuss.

Mr. HAYS. It seems to me that the teachings of God have certain elements of brotherhood in them that you cannot get away from, and when you start picking or finding fault with the word "brotherhood," that you are quibbling on pretty technical ground with language.

The CHAIRMAN. It does not seem to me it is on very technical ground when he makes reference to God having been left out of the provision that was substituted for the Declaration of Independence.

Mr. HAYS. This wasn't substituted for the Declaration of Independence at all, and you cannot leave God out whether you want to or not. He will be around, and I expect that He will even have an opinion on this if you want to get right down to it. I am not going to tell you what I think it will be, because that is not my province; I am not omnipotent, and I wish the witnesses wouldn't try to be omnipotent, either.

Mr. SARGENT. I will tie this in for you. I am discussing this from the standpoint that this is a proposal for a possible treaty which will become the supreme law of the land, and may be judicially interpreted as a modification of our existing legal system. Article 1, to be under-

standable, should be read in connection with article No. 29, that is subdivision 2, which says:

In the exercise of his rights, everyone shall be subject only to such limitations as are determined by law for the purpose of securing due recognition and respect for the rights and freedoms of others, and meeting its just requirements of morality, public order, and the general order of a democratic state.

Now, that term "general welfare of a democratic state" seems to create a power by majority vote to limit the rights granted in the rest of this article. The next subdivision of 29 says that these rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.

In other words, if someone does not believe in the United Nations and wants to do something contrary to what you want to do, he hasn't any civil rights at all. Subparagraph 3 says so, in article 29. Article 25 provides for social housing and medical care, which are made constitutional rights.

Article 26 says that the purpose of education is the furtherance of the activities of the U. N. Article 21 guarantees free access to public service, and that could interfere with the right to discharge Government personnel who are bad security risks.

Article 19 guarantees freedom of opinion and expression through any media.

Mr. HAYS. Are you reading from your own notes?

Mr. SARGENT. I will read the original for you, and it is a true quote. Article 19 says:

Everyone has the right to freedom of opinion and expression, and this right includes freedom to hold opinions without interference and to seek, receive, and impart foreign ideas through any media and regardless of frontiers.

Now that could be interpreted to protect the right to advocate forcible overthrow of this Government.

Mr. HAYS. It could be interpreted, and I don't know who is going to interpret it, and I suppose possibly it could be interpreted the way you have been interpreting things, depending on what you mean.

Mr. SARGENT. If a court laying this alongside of our present constitutional law saw this they could reason that there must have been an intent to substitute something different, and otherwise why make the change. This tends to throw our constitutional law out on the table to be argued out all over again.

Mr. HAYS. I have a sneaking suspicion that Congress is going to protect that. They haven't passed that thing yet, have they?

Mr. SARGENT. Not yet, but these are the grounds upon which many people very seriously opposed this pamphlet which was being actively used in Los Angeles city schools. Article 14 says that everyone has the right to seek and to enjoy in other countries the asylum from persecution. Doesn't that mean that the immigration laws can be broken down and we can be compelled to receive hordes from any nation in the world regardless of the impact on American conditions? This article would seem to say so.

There have been many, many things written on this. And very, very serious objections made. The proponents of the Bricker amendment agree I think in substance, and have additional reasons from my own for opposing that particular proposition. That is an example of more propaganda, and more propaganda power, and the Ford Foundation through Mr. Hoffman apparently backs that one.

Mr. HAYS. You are a pretty cagey lawyer, and you keep saying seemingly. Apparently you just tread on the border of libel, but you don't quite get over it.

Mr. SARGENT. I am talking about the UNESCO propaganda bill here.

Mr. HAYS. You mentioned Mr. Paul Hoffman.

Mr. SARGENT. He was there using the weight and prestige of the Ford Foundation to try and influence a city board of education in support of this proposal, which is legislation to make that a part of the law of the United States.

Some of you gentlemen may be interested in what kind of a propaganda outfit this UNESCO really is. You will find the detail on that in a pamphlet entitled "Every Man's United Nations, a Ready Reference to the Structure and Functions of the Work of the United Nations and its Related Agencies."

It is a publication of the United Nations Department of Public Education, in New York, and the publication date is 1952, and this is a third edition. It is quite recent. UNESCO is discussed commencing at page 312, and it talks about their worldwide activities, that they are preparing a scientific and cultural history of mankind, and that they set up an international clearing house to promote exchange of publications between libraries and institutions, and that they have study programs.

Mr. HAYS. Does the Government of the United States belong to that organization at all? Do they contribute to it?

Mr. SARGENT. I think there was some question before the Senate Appropriations Committee about further contributions toward it, if I recall correctly. We still belong to it, and we——

Mr. HAYS. Who is our representative there? Do you know?

Mr. SARGENT. This is UNESCO, this is a separate thing.

Mr. HAYS. This is a subdivision of the U. N.

Mr. SARGENT. This is the body incidentally to which Mr. Willard Givens, of the NEA, offered a resolution protesting the removal of Superintendent Goslin from Pasadena.

Among other things, UNESCO has put out a pamphlet called Television and Education in the United States. This is printed, UNESCO, Paris, 1952.

Mr. HAYS. Now just a minute before you start putting that document in the record. Is that put out by some foundation?

Mr. SARGENT. No, UNESCO.

I am talking about the propaganda power of this setup we have here, which the foundations seem to have, and it bears on the propaganda power of foundations.

Mr. HAYS. It has about as much relation to this investigation as Chic Sale's book, if I can figure it out.

Mr. SARGENT. This discusses the propaganda network, that UNESCO is looking at. I think, Mr. Hays, you will find that the foundations are supporting educational television, and taking a flip at that one also.

Mr. HAYS. These foundations are supporting education television, and UNESCO has a book about it, but what is the relationship?

Mr. SARGENT. I am talking about the organized power of foundations.

Mr. HAYS. I have a television program, too, and I am not connected with any of those. You just use the word "television," and everybody hooks up that has anything to do with television.

Mr. SARGENT. There is an organized movement underway with some foundations——

Mr. HAYS. You said yesterday you didn't believe in astrology, did you not, and you don't use a crystal ball, either.

Mr. SARGENT. Must we go back to that? I am talking about this pamphlet here, and I am talking about the pamphlet on educational television, sponsored by UNESCO, in which they have examined the educational policies of the American Broadcasting Co., Columbia, Du Mont, National Broadcasting Co., and they have inquired into the use of television so far in the schools of Philadelphia, Chicago, Minneapolis, and they have conducted some research on television and children and even considered its use as a teaching tool.

Mr. HAYS. Now you say that is a book put out by an organization which you refuse to state has any foundation funds, and you said it is published in Paris, and you say it is a bad book and perhaps it is. I wouldn't know. But will you kindly try to relate it to the hearing and tell us what we should do about it? Should we pass a law prohibiting them from importing it, or what? I am at a loss.

Mr. SARGENT. You should consider seriously adopting a law which will keep foundations out of entering into things——

Mr. HAYS. But this book, Mr. Sargent, where do they get into the picture with this particular book?

Mr. SARGENT. This is one of the UNESCO activities.

Mr. HAYS. And you said UNESCO is not financed by the foundations.

Mr. SARGENT. I say they are supporting the UNESCO program, and the UNESCO program includes this, which is propaganda power.

Mr. HAYS. They are supporting it 100 percent?

Mr. SARGENT. I didn't say 100 percent.

Mr. HAYS. Well, you see there is the point.

Mr. SARGENT. Did I say 100 percent?

Mr. HAYS. Mr. Reece is a Republican, I am a Democrat, and we subscribe generally to the principles of our party, but we do not subscribe to every single thing that every Democrat or every Republican has done, and sometimes we even vote against them.

Mr. SARGENT. We are in an area where propaganda power is acquiring enormous importance to the people, and becoming a growing danger, unless kept within some kind of bounds, and foundation money is being used for operations of which that situation is a part. There was foundation support offered incidentally in my own community for the Bay Area Educational Television Association in San Francisco. That was to promote publicly owned and operated television stations for educational purposes. There was one foundation there at least, and they went to the State government indicating that they would back the project. They are going even into that field.

Now, here is another area. I don't want to take your time on this now, but I would like to deal with it very briefly. I suggested a questionnaire to get the discrimination facts on this case. That is to ask the foundations if they have done any of these patriotic or other things favored by those who do not agree with them. In 1950, in October, when I was Chairman of the Americanization Committee

of the National Society, Sons of the American Revolution, I sent a letter to a list of 115 textbook publishers, throughout the country, to determine what materials were available for instructing students and adult groups desiring to study the propaganda and activities of Socialist and Communist organizations, or for the study of the economic, financial and political and constitutional effects of Fabian socialism and the social welfare state. I have an affidavit here, confirming the fact that such a letter was sent, and the affidavit contains a copy of my file copy of the letter, and a list of these book publishers' names.

I have here a stack of letters containing their replies. The substance of the replies is that practically no material of this kind was available by any of these publishers. Some of the publishers were not engaged in that line of work and their names of course should not be considered. A substantial number of others were in areas where it was possible.

The list itself was obtained from the official list of book publishers on file in the State of California Department of Education, at Sacramento. I would like to offer the affidavit now, and I would like to at my convenience in the next few days prepare a digest containing the substance of what those letters show, prepare an affidavit based on that digest and then offer that affidavit when I return for cross-examination. It will show the extent to which there is a serious lack of this kind of educational material. I think the committee would be interested in the facts.

May I do that?

The CHAIRMAN. That will be done, without objection.

Mr. HAYS. I am not going to let him put in a lot of documents that I do not know anything about, and so I object.

Mr. GOODWIN. What is the harm of letting them in? I assume that although the gentleman from Ohio apparently wants to clear up things pretty well as we go along, it is my thought that there will be ample opportunity later on in executive session for us to evaluate all of this testimony that comes in, and there decide.

Mr. HAYS. I don't think any committee would let anyone prepare a statement and without even knowing the thing that is in it, let it become a part of the record. There is a matter of expense, printing, and it may have no pertinency, and so on and so forth. I think the committee should look at it. This is the first time I have objected. The gentleman has put in many things.

Mr. SARGENT. I will furnish an affidavit certifying it and I will let a member of your staff examine the letters here and check it for himself. It just seemed to be a convenient way to give you the information without reading a lot of letters.

Mr. HAYS. Are you going to put all of the letters in there?

Mr. SARGENT. I am going to give you the substance of it.

The CHAIRMAN. See if I understand your suggestion correctly, that you are going to make a digest of your actions and a summary of the substance of the replies, which go in the record, and then the letters would be submitted for the record without printing.

Mr. SARGENT. I would rather keep possession of the letters, and I don't think you want the letters.

The CHAIRMAN. Would you restate your suggestion?

Mr. SARGENT. What I am going to do is prepare a summary of the replies received from these publishers. Classifying the material on

the basis of those that said they had nothing, giving a few typical comments from letters that are informative and generally disclosing the result of the survey. I will show the entire stack of letters to the committee staff for their own checking in case they think anything else should be included. This is just a convenient way of summarizing the net results of these replies.

It is just a convenient way of summarizing the net replies.

The CHAIRMAN. I think it is well to have the digest in, if a member of the staff took the responsibility for checking the accuracy of the summaries.

Mr. SARGENT. Some of them took a paragraph or two explaining the situation, and others said nothing at all. There are perhaps a dozen or more letters having an informative value, and where there is something in the letter we will quote the paragraph and give the name and address of the publisher. It is to show what kind of a result we got out of the survey.

The CHAIRMAN. Mr. Sargent, why don't you go and prepare it.

Mr. SARGENT. Yes, and I will bring it back with me.

The CHAIRMAN. I think that would be the best procedure.[1]

Mr. SARGENT. Now, I was referring this morning to this pamphlet——

The CHAIRMAN. In the meantime, a member of our staff might take a look at it.

Mr. SARGENT. I was referring to this pamphlet this morning, and I partly read the names, and the pamphlet American Education Under Fire by Ernest O. Melby. I read most of the names, I think. Richard Barnes Kennan, executive secretary of the National Commission for the Defense of Democracy Through Education, Washington, D. C., and he is one of those preparing the pamphlet. Morton Puner of the Anti-Defamation League of B'nai B'rith is one. Professor Thut is one, of the University of Connecticut, and Prof. William Van Till, University of Illinois.

Mr. HAYS. Is that the complete list?

Mr. SARGENT. That is the complete list, and I read the others this morning. That completes the list.

Mr. HAYS. What pamphlet is that?

Mr. SARGENT. This completes the list.

Mr. HAYS. What is the name of the pamphlet?

Mr. SARGENT. It is American Education Under Fire.

Mr. HAYS. That is the one Dr. Hullfish has included in the list of names.

Mr. SARGENT. Yes. The pamphlet states that it is sponsored by the following. Two of these are agencies of the National Education Association. The first agency of that group is National Commission for the Defense of Democracy Through Education. That is the one which Mr. Benjamin acts for.

The second department of NEA is the Association for Supervision and Curriculum Development. Also named is the American Education Fellowship, and the John Dewey Society. The copyright on the pamphlet is held by the Anti-Defamation League of B'nai B'rith.

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[1] Mr. Sargent's analysis of the textbook publishers' replies appears following his statement, at p. 393.

This contains a discussion of the controversies involving the schools, and the pamphlet being a joint one shows that all of these groups are sponsors for it.

Mr. HAYS. Is there something implied that there is something wrong with B'nai B'rith now?

Mr. SARGENT. Nothing implied one way or the other, except that they sponsored this.

Mr. HAYS. And that is a bad pamphlet?

Mr. SARGENT. It is an attack on people who do not like conditions in the schools, as I interpret it. I think that it is interesting to find so many groups joining in such a statement. It is another example of the infringement of local jurisdiction, in my opinion. I am citing it for that reason.

This pamphlet commences with page 7, and talks about school controversies from Inglewood, N. J., to Eugene, Oreg., and from New York to Pasadena, stating that the Nation is pitted with battlefields of the war against modern education, and this pamphlet attempts to tell of the tremendous forces and consequences involved in the fight.

The first section analyzes the powers and motivations behind the tax on the public schools and it draws upon the experience of Willard L. Goslin, described in this pamphlet as one of the Nation's ablest educators.

If you read this pamphlet through as a whole, you will find it is a sponsorship of the fortunes of Mr. Goslin again.

Mr. HAYS. Going back to another book you mentioned, you cited this Senate investigating committee, the so-called Dilworth committee, and we seem to be around, full circle in the attacks on religion and the Catholics and the Jews and this thing attacks the American Friends Service Committee. Do you subscribe to that part of it?

Mr. SARGENT. What part is that?

Mr. HAYS. Where it mentions in a very unfavorable way the American Friends Service Committee.

Mr. SARGENT. Let me see what you mean, show me the passage that you are talking about.

The CHAIRMAN. That is the Dilworth committee report.

Mr. HAYS. I will show you the passage. I have listened to a lot of stuff from you, and I turned it down, but apparently I have lost the place.

Mr. SARGENT. The Dilworth committee is a very reliable committee of our legislature, and it has worked for many years.

Mr. HAYS. You go ahead and I will find this in just a moment.

Mr. SARGENT. You are asking about the Anti-Defamation League, and I would like to state positively for the record I am not anti-Semitic in any way, and I have never adhered to that point of view, and I have very high respect for people of that faith who have done work on behalf of our country.

Alfred Kolberg, of New York, is a very patriotic and useful citizen, and Rabbi Benjamin Schultz is another, and I am fully sympathetic with the problems among that group which arise in connection with this subversive activities question, and if your committee desires information on some of the unfortunate conditions existing among that group, I suggest that you read the book What Price Israel by Alfred M. Lilienthal. It is a 1953 publication of Henry Regnery & Co.

of Chicago. I want to make that clear, because there is a tendency, unfortunately, to refer to anyone who even mentions the name of this organization as having anti-Semitic points of view which I positively don't have, and I have never adhered to.

Mr. HAYS. I have found there are a number of references to the American Friends Service Committee, and I just got this book about a moment ago.

Mr. SARGENT. It is probably a citation of some individual.

Mr. HAYS. This is in your report, and it says as follows:

> The participation of the American Civil Liberties Union and League of Women Voters and the American Friends Service Committee and the Federation for the Repeal of the Levering Act—

which I am not familiar with—

> was of great assistance to and lent respectability to the Communists in the spread of their seditious propaganda.

That is a bad inference, isn't it?

Mr. SARGENT. It probably is, and the report speaks for itself.

Now, as an indication of the extent to which a certain branch of people in education are actively working for the world government movement, I would cite you the eleventh yearbook of the John Dewey Society. The John Dewey Society is one of the organizations sponsoring that pamphlet. The book is called Education for a World Society, and its copyright date is 1951, and it is published by Harper Bros., New York.

The editors named on the title page here are Christian O. Arndt, chairman, professor of international educational relations, School of Education, New York University.

Samuel Everet, assistant professor of education, College of the City of New York.

The consultants are Harold Benjamin, dean of the College of Education, University of Maryland, and George S. Counts, professor of education, Teachers College, Columbia, and Professor Van Til, professor of education, College of Education, University of Illinois.

The book in question is one which advocates world government in substance, and the use of education as a means of bringing it about. That is educational propaganda.

Mrs. PFOST. Is the publication of that book paid for by the foundations?

Mr. SARGENT. I don't know, and I don't know what support of the John Dewey Society is, but this is cited as an example of the extent to which we have an organized clique for world government within the educational profession, and I think that you can compare that with the foundation policy of supporting similar ideas, in effect the strengthening of the hands of those people.

Mr. HAYS. But it has actually no tie whatsoever that you know of to the foundations, except what you have given?

Mr. SARGENT. I think it will be connected up when your staff gets into the other phases of this problem. I am giving you a part of the evidence within my knowledge.

The CHAIRMAN. Mr. Sargent, it is now 4:20.

Mr. SARGENT. Give me 5 minutes and I can finish. I just have a summary statement and I am through. My statement is simply this: I have discussed the public policy questions, and there are legal ap-

proaches to this matter which I think the committee may want to consider. One is a declaratory statute confirming the fact that expenditures for education in antisubversive works are within the scope of present revenue laws and the tax exemption privilege will not be impaired by the approval of any project of that kind.

In other words, that there is under existing law a right to defend the Government of the United States, and there can be no legal question involved. That could have the effect of releasing substantial money for patriotic people wanting to defend our country and remedy these conditions.

Secondly, providing for unlimited deductibility of educational contributions for the defense of constitutional government.

Third, a statute requiring a foundation to reject any applications tending to promote the spread of communism, socialism, or the welfare state.

Fourth, a mandatory provision, providing that if any foundation elects to go into these controversial subjects having to do with socialism, and so forth that they must afford equal facilities to both sides as a condition of engaging in such work. Otherwise the statutes should declare they are engaging in propaganda.

Finally, we think it would be useful.

Mr. HAYS. Just a moment. You say "we think." Who is "we"?

Mr. SARGENT. The people I have talked to about this.

Mr. HAYS. You wouldn't mind changing that and making it "I think?"

Mr. SARGENT. I think so and I think many people will agree with me, that the denial of the right of critical analysis and critical study is one of the most glaring weaknesses in our present situation.

Academic freedom perhaps requires that these controversial and debatable subjects be supported. But if a foundation wants to do that, it should be willing to support both sides and let each one thresh it out with the other. If the foundation won't take in both sides, it should take in neither.

Finally, we think there should be some statutory declaration confirming the rights and duties of foundation trustees, their responsibilities as trustees, to be patriotic, loyal, to defend the Government of the United States, and to refrain from engaging in any activity involving possible overthrow of the Government by force, violence, or other unconstitutional means.

Now, Mr. Chairman, at the opening of this session there was an understanding that questions would be postponed until the end of my testimony, and a transcript would be written up and I would appear. I am prepared to do that, and I will be here without further notice at whatever time you see fit to adjourn to.

The CHAIRMAN. I don't think it would be convenient in view of the Memorial Day weekend recess, for the committee to meet before Tuesday, and we have an understanding that it is not convenient for the members to meet on Tuesday, so the next meeting of the committee will be next Wednesday, and the time to be announced.

Mr. SARGENT. May I ask that my matter be brought up?

The CHAIRMAN. And then Dean Rusk will follow you.

Mr. HAYS. I do not know whether I will have any time to analyze all of this.

Mr. SARGENT. I am a long distance from home, and I think I should be released. If you want to send me home, and bring me back for examination later, I am perfectly willing to do that, if you want to pay the freight on two trips.

Mr. HAYS. When we go over this, if we find that there hasn't been enough exploration made in it, and other members want to question you, I certainly would be in favor of it.

Mr. SARGENT. It is entirely agreeable with me.

Mr. HAYS. I have very heavy commitments made long before these hearings were set down, and up to now I don't even have all of your testimony.

Mr. SARGENT. I have no objection to being brought back on reasonable notice, if you would prefer that.

Mr. HAYS. We would give you reasonable notice.

Mr. SARGENT. I just want to make it clear that I offered in the first place, and I offer again to come back at any convenient time suggested by you on reasonable notice, that is for any examination you wish to conduct.

The CHAIRMAN. You may be excused for the time being, and you can go back home. If we need you we will give you ample notice so that you can come at the convenience of yourself and of the committee.

Mr. HAYS. Although I may disagree on some things, the committee has been kind enough to respect my commitments over the weekend, and I would be the last person in the world to want to hold you here, so that you would be present when it was convenient to me, and I certainly think that the committee should agree to that.

Mr. SARGENT. I assumed over the weekend you would be ready to go, in which case I would be here.

Mr. HAYS. I want you to know that I concur and suggest that you be allowed to go, and that you will be given ample notice when you return.

Mr. SARGENT. Then I am excused and I come back when requested.

The CHAIRMAN. I want to express appreciation for your testimony, and the time you have taken, and I hope it hasn't been unpleasant.

Mr. SARGENT. I am glad to be of as much service as I can be, and I want to thank you.

The CHAIRMAN. We will stand in recess until Wednesday morning at 10 o'clock. The room in which we will meet will be announced.

(Whereupon, at 4:25 p. m. the committee was recessed, to reconvene at 10 a. m., Wednesday, June 2, 1954.)

ANALYSIS OF REPLIES FROM TEXTBOOK PUBLISHERS TO LETTER (OCTOBER 1950) OF AARON SARGENT

PROCEEDINGS BEFORE THE SELECT COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS, HOUSE OF REPRESENTATIVES, HOUSE RESOLUTION 217

UNITED STATES OF AMERICA,
District of Columbia, City of Washington, ss:

Aaron M. Sargent, being first duly sworn, deposes and says:

The following matters, relating to an inquiry conducted on behalf of the National Society, Sons of the American Revolution, into the textbook situation, are true to my own knowledge:

I am a member in good standing of that society. During the period May 1950 to May 1951, inclusive, I served as chairman of its committee on Americanization. My duties at that time included representing the interests of said society in regard to the subversive teaching problem affecting the public schools.

On October 27, 1950, as chairman of that committee, I sent to each of the textbook publishers hereinafter mentioned a standard form of letter identical with the photostat attached to this affidavit. That photostat is a true copy of my file copy of the letter in question. The purpose was to determine the extent to which textbooks and teaching materials were then available for instructing students and adult groups in the propaganda and activities of Communist and Socialist organizations and to enable them to study the economic, political, and other effects of Fabian socialism and the social welfare state.

Attached to this affidavit at pages 4 to 7, inclusive, is a true list of the names and addresses of the various book publishers to whom the letter in question was sent.

This affidavit is furnished in connection with my testimony to the above committee respecting the replies received to that communication.

AARON M. SARGENT.

Subscribed and sworn to before me this 26 day of May 1954.

[SEAL] REBECCA M. SMITH,
Notary Public.

[Letterhead of National Society, Sons of the American Revolution]

OCTOBER 27, 1950.

AMERICAN BOOK CO.,
New York, N. Y.

GENTLEMEN: We are conducting a survey to determine what textbooks, outlines, or other teaching materials are available with reference to the following:

1. For instructing students and adult groups desiring to study the propaganda and activities of Socialist and Communist organizations;
2. For study of the economic, financial, political, and constitutional effects of Fabian socialism and the social welfare state.

Our analysis is intended to cover all grade levels and include a listing of books dealing with one or more or all of the above subjects. Please indicate whether you have any publications of this type. If so, may we have a list of titles and authors, together with circulars and other descriptive material?

Very truly yours,

[SEAL]

AARON M. SARGENT,
Committee on Americanization.

1. Ginn & Co., Statler Building, Boston, Mass.
2. The Grolier Society, Inc., 2 West 45th Street, New York, N. Y.
3. Harcourt, Brace & Co., Inc., 383 Madison Avenue, New York, N. Y.
4. D. C. Heath & Co., 285 Columbus Avenue, Boston, Mass.
5. Houghton Mifflin Co., 2 Park Street, Boston, Mass.
6. The MacMillan Co., 60 Fifth Avenue, New York, N. Y.
7. Row, Peterson & Co., 1911 Ridge Avenue, Evanston, Ill.
8. Benjamin H. Sanborn & Co., 221 East 20th Street, Chicago, Ill.
9. Scott Foresman & Co., 433 East Erie Street, Chicago, Ill.
10. Silver Burdett Co., 45 East 17th Street, New York, N. Y.
11. Webster Publishing Co., 1808 Washington Avenue, St. Louis, Mo.
12. American Technical Society, Drexel Avenue at 58th Street, Chicago, Ill.
13. Appleton-Century-Crofts, Inc., 35 West 32d Street, New York, N. Y.
14. A. S. Barnes & Co., Inc., 67 West 44th Street, New York, N. Y.
15. W. S. Benson & Co., Austin, Tex.
16. C. C. Birchard & Co., 285 Columbus Avenue, Boston, Mass.
17. The Blakiston Co., 1012 Walnut Street, Philadelphia, Pa.
18. The Bobbs-Merrill Co., Inc., 724 North Meridian Street, Indianapolis, Ind.
19. The Book House for Children, 360 North Michigan Avenue, Chicago, Ill.
20. P. F. Collier & Son Corp., 250 Park Avenue, New York, N. Y.
21. F. E. Compton & Co., 1000 North Dearborn Street, Chicago, Ill.
22. Thomas Y. Crowell Co., 432 Fourth Avenue, New York, N. Y.
23. The Economy Co., Oklahoma City, Okla.
24. Encyclopaedia Britannica, 20 North Wacker Drive, Chicago, Ill.
25. Encyclopedia Americana, 2 West 45th Street, New York, N. Y.
26. Field Enterprises, Inc., educational division, 35 East Wacker Drive, Chicago, Ill.
27. The Gregg Publishing Co., 270 Madison Avenue, New York, N. Y.
28. E. M. Hale & Co., Eau Claire, Wis.
29. C. S. Hammond & Co., 305 East 63d Street, New York, N. Y.
30. Harper & Bros., 49 East 33d Street, New York, N. Y.
31. Henry Holt & Co., Inc., 257 Fourth Avenue, New York, N. Y.
32. Longmans, Green & Co., 55 Fifth Avenue, New York, N. Y.
33. Loyola University Press, 3441 North Ashland Avenue, Chicago, Ill.
34. The Manual Arts Press, 237 North Monroe Street, Peoria, Ill.
35. McCormick-Mathers Publishing Co., 1501 East Douglas Avenue, Wichita, Kans.
36. McGraw-Hill Book Co., Inc., 330 West 42d Street, New York, N. Y.
37. Charles E. Merrill Co., Inc., 400 South Front Street, Columbus, Ohio
38. Newson & Co., 72 Fifth Avenue, New York, N. Y.
39. W. W. Norton & Co., Inc., 101 Fifth Avenue, New York, N. Y.
40. Oxford University Press, 114 Fifth Avenue, New York, N. Y.
41. Pitman Publishing Corp., 2 West 45th Street, New York, N. Y.
42. Prang Co. Publishers, a division of American Crayon Co., Sandusky, Ohio
43. Prentice-Hall, Inc., 70 Fifth Avenue, New York, N. Y.
44. Rand, McNally & Co., 536 South Clark Street, Chicago, Ill.
45. Rinehart & Co., Inc., 232 Madison Avenue, New York, N. Y.
46. William H. Sadlier, Inc., 11 Park Place, New York, N. Y.
47. Scholastic Magazines, 7 East 12th Street, New York, N. Y.
48. Science Research Associates, 228 South Wabash Avenue, Chicago, Ill.
49. The L. W. Singer Co., Inc., 249 West Erie Boulevard, Syracuse, N. Y.
50. South-Western Publishing Co., 634 Broadway, Cincinnati, Ohio
51. The Steck Co., Ninth and Lavaca Streets, Austin, Tex.
52. The United Educators, Inc., 6 North Michigan Avenue, Chicago, Ill.
53. The University Publishing Co., Lincoln, Nebr.
54. D. Van Nostrand Co., Inc., 250 Fourth Avenue, New York, N. Y.

55. John Wiley & Sons, Inc., 440 Fourth Avenue, New York, N. Y.
56. The John C. Winston Co., 1010 Arch Street, Philadelphia, Pa.
57. World Book Co., 313 Park Hill Avenue, Yonkers, N. Y.
58. Harvard University Press, Cambridge, Mass.
59. Yale University Press, New Haven, Conn.
60. Columbia University Press, Morningside Heights, New York, N. Y.
61. University of Chicago Press, Chicago, Ill.
62. University of Michigan Press, Ann Arbor, Mich.
63. University of California Press, Berkeley, Calif.
64. Northwestern University Press, Chicago, Ill.
65. University of Rochester Press, Rochester, N. Y.
66. University of Minnesota Press, Minneapolis, Minn.
67. Cornell University Press, Ithaca, N. Y.
68. Princeton University Press, Princeton, N. J.
69. Massachusetts Institute of Technology Press, Boston, Mass.
70. University of Wisconsin Press, Madison, Wis.
71. Stanford University Press, Stanford University, Calif.
72. Johns Hopkins University Press, Baltimore, Md.
73. New York University Press, New York, N. Y.
74. Washington University Press, St. Louis, Mo.
75. Dartmouth College Press, Berlin, N. H.
76. University of Colorado Press, Boulder, Colo.
77. University of Iowa Press, Iowa City, Iowa
78. University of California Press, Los Angeles, Calif.
79. University of Southern California Press, Los Angeles, Calif.
80. City College of New York Press, New York, N. Y.
81. Roosevelt College Press, Chicago, Ill.
82. Syracuse University Press, Syracuse, N. Y.
83. University of North Carolina Press, Chapel Hill, N. C.
84. University of Washington Press, Seattle, Wash.
85. University of Illinois Press, Champaign, Ill.
86. University of Texas Press, Austin, Tex.
87. American Book Co., 88 Lexington Avenue, New York, N. Y.
88. Hinds, Hayden & Eldredge, Inc., 105 Fifth Avenue, New York, N. Y.
89. Simon & Schuster, Inc., 37 West 57th Street, New York, N. Y.
90. Charles Scribner's Sons, 597 Fifth Avenue, New York, N. Y.
91. King's Crown Press, Columbia University, New York, N. Y.
92. The Bobbs-Merrill Co., 468 Fourth Avenue, New York, N. Y.
93. Random House, 457 Madison Avenue, New York, N. Y.
94. E. P. Dutton & Co., Inc., 300 Fourth Avenue, New York, N. Y.
95. The John Day Co., 2 West 45th Street, New York, N. Y.
96. Charles H. Kerr & Co., 510 North Dearborn Street, Chicago, Ill.
97. The Ronald Press Co., 15 East 26th Street, New York, N. Y.
98. Henry Regnery Co., 20 West Jackson Street, Chicago, Ill.
99. Allyn & Bacon, 11 East 36th Street, New York, N. Y.
100. Little, Brown & Co., 34 Beacon Street, Boston, Mass.
101. The Viking Press, 18 East 48th Street, New York, N. Y.
102. Doubleday & Co., Inc., Garden City, N. Y.
103. The Tower Press, Inc., 900 West Van Buren, Chicago, Ill.
104. National Education Association, 1201 16th Street NW., Washington, D. C.
105. American Textbook Publishers Institute, 1 Madison Avenue, New York, N. Y.
106. Duke University Press, Durham, N. C.
107. University of Pennsylvania Press, Philadelphia, Pa.
108. Ohio State University Press, Columbus, Ohio.
109. Vanderbilt University Press, Nashville, Tenn.
110. American Education Fellowship, 11 East Walton Place, Chicago, Ill.
111. American Book Publishers Council, Inc., 62 West 47th Street, New York, N. Y.
112. Farrar Straus & Co., Inc., 53 East 34th Street, New York, N. Y.
113. Smith & Durrell, Inc., 25 West 45th Street, New York, N. Y.
114. Social Sciences Publishers, Inc., 1966 Broadway, New York, N. Y.
115. Campus publishing division of Dorville Corp., 37 Wall Street, New York, N. Y.

PALO ALTO, CALIF., *July 26, 1954.*

Subject: Analysis of letters from textbook publishers.

To the Honorable Carroll Reece, Chairman, and Members of the House Committee To Investigate Tax-Exempt Foundations, Washington, D. C.:

GENTLEMEN: In testifying at your May 26, 1954, hearing, I referred to a preliminary survey conducted in October 1950 by the Americanization committee of the National Society, Sons of the American Revolution, to determine the condition then existing in the textbook publishing business from the standpoint of antisubversive teaching material. The following letter was sent at that time to a list of 115 textbook publishers throughout the country:

We are conducting a survey to determine what textbooks, outlines, or other teaching materials, are available with reference to the following:

1. For instructing students and adult groups desiring to study the propaganda and activities of Socialist and Communist organizations;

2. For study of the economic, financial, political, and constitutional effects of Fabian socialism and the social welfare state.

Our analysis is intended to cover all grade levels and include a listing of books dealing with one or more or all of the above subjects. Please indicate whether you have any publications of this type. If so, may we have a list of titles and authors, together with circulars and other descriptive material.

Very truly yours,

AARON M. SARGENT,
Chairman, Committee on Americanization.

That letter was sent to all members of the American Textbook Publishers Institute and to all other important publishers listed on the records of the California State Department of Education. It is a fair cross section of the textbook publishing industry.

Some firms said they operated in special or technical fields not within the scope of the survey. These names have been disregarded in the present analysis. There were 52 publishers who replied and were engaged in areas that should include some kind of material within the scope of the survey. The replies from this group reveal the following condition:

Number	Description	Percent
37	Nothing available	71.1
6	Claiming some material bearing on certain phases	11.6
4	Relating to civics and patriotism in general	7.7
2	Books on League of Nations, United Nations, and Democracy	3.9
3	Miscellaneous	5.7

The following are typical comments:

(*1*) *Publishers having nothing available*

"The National Education Association does not have any publications dealing with socialism, communism, and the other topics contained in your letter. We are not a publisher of materials designed primarily for use by pupils and students. Practically all of our materials are designed for use by teachers and other professional persons employed by school systems and none of them bear on the topics you have listed."

"Regret to say that we do not have a single book dealing specifically with either of the above two general objects. * * * The type of book mentioned in your letter is generally issued by a trade publisher. * * *

We are exclusively a textbook publisher and as such we publish only such books as are required by the standard curricula of the Nation." (Cites as a reference, a history on economic doctrine.)

"We specialize in the basic texts and do not contemplate publishing within the near future books which emphasize particular philosophies or ideologies."

"We do not publish any textbooks which would fit your needs in connection with the survey you are conducting described in your letter."

"We no longer publish texts on the elementary and high-school level. We have nothing of this kind on the college level."

"(We) publish no texts or teaching materials concerned with socialism, communism, or the social welfare state."

"Believe we have but one publication that would cover any of the topics outlined in your letter." (Cites a text on applied economics.)

(*2*) *Reporting some material available*

American Education Fellowship (formerly the Progressive Education Association) sent a list of publications including the following:

American Education Under Fire, by Melby.
Design for America, by Brameld.
A Guide to Soviet Education, by King.
International Year Book of Experimental Education.
France (New Plans for Education).
UNESCO in Focus, by Henderson.

Replies from three universities show some material at the college or adult level. The books cited cover crisis in Great Britain; cooperative movement in Canada; Russian culture; death of science in Russia; American-Russian rivalry in Far East; Christianity and communism; defense of Western Europe; Korea and foreign policy; Russian aims and America.

Two publishers referred to some material on topics such as outlawing the Communist Party; British socialism; welfare state; free medical care, and a booklet What About Communism?

(*3*) *Civics and patriotism in general*

Replies listed under this heading cite books on the Constitution, citizenship, and material of a patriotic or inspirational character.

(*4*) *League of Nations and democracy*

Replies from two publishers are listed. The books mentioned are in the following areas:

History of League of Nations.
The United Nations.
Democracy and You.
Federal Government and You.

(*5*) *Miscellaneous*

Under this heading I classify the reply of one publisher of books at the adult level citing material that would be useful for reference purposes. Another reply cites material from procedings and magazines of various educational associations. The remaining item lists

two books by authors with known anti-anti-Communist points of view. One of these attacks the Federal loyalty and security program.

(NOTE.—Photostat copies of all letters received by Mr. Sargent from the textbook publishers queried are in the permanent files of the committee, as well as a list of the letters quoted in his analysis. Mr. Sargent in transmitting this list for ready reference by the staff, wrote under date of July 28: "I purposely left out publishers' names in order to raise no question about the fairness of the survey and to avoid being in the position of making 'an attack' on any particular interest. Use of the names of NEA and American Education Fellowship seemed justified on another ground, inasmuch as these are both organizations whose names have already been brought in on the hearings.")

In making this analysis it was not and is not my purpose to limit freedom of opinion or freedom of publication with respect to any of these books. The sole object is to ascertain whether there has been restraint of publication and restraint of trade with respect to books representing a positive and effective teaching approach to the problem of combating subversion.

It is my opinion, based on this investigation and on my own research, that there is a serious shortage of such material. I believe that this condition is due, to a considerable extent, to the policies and attitudes of tax-exempt foundations.

Dated: July 27, 1954.

Respectfully submitted, AARON M. SARGENT.

UNITED STATES OF AMERICA, STATE OF CALIFORNIA,
City and County of San Francisco, ss:

Aaron M. Sargent, being first duly sworn, deposes and says:

I am the witness above named who presents the within analysis to the House of Representatives Committee To Investigate Tax-Exempt Foundations. I personally prepared said analysis, which is based on letters from textbook publishers in my possession. I am familiar with the contents of the foregoing and certify that all statements of fact therein are true to my own knowledge.

AARON M. SARGENT.

Subscribed and sworn to before me this 27th day of July 1954.

[SEAL] CLARA E. HAY,
Notary Public.

PALO ALTO, CALIF., *July 23, 1354.*

Subject: Proposed questionnaire.

Hon. CARROLL REECE,
Chairman, House Committee on Foundations,
Washington 25, D. C.

DEAR MR. REECE: In accordance with leave granted at your hearing of May 26, 1954, I have prepared and enclose herewith original and two copies of my proposed Statement on Questionnaire to Foundations.

Questions in that form will, I believe, obtain vitally needed information with a minimum expenditure of time and money.

I respectfully request that the committee make this statement a part of the record.

If I can be of any further assistance in this matter, do not hesitate to call upon me.

Sincerely,

AARON M. SARGENT,
Attorney at Law.

PALO ALTO, CALIF., *July 23, 1954.*

Subject: Statement on questionnaire to foundations.

To the Honorable Carroll Reece and Members of the House Committee To Investigate Tax-Exempt Foundations, Washington, D. C.

GENTLEMEN: On May 24, 1954, I appeared before your committee and gave testimony in response to subpena. At the May 26, 1954, hearing I indicated that important evidence could be obtained with a minimum of time and expense by using a questionnaire to be answered under oath by responsible officers of the foundations. Leave was granted to submit an outline of the questions to be propounded, and it was understood the matter would be taken under advisement (Rep. Tr. vol. 8, pp. 835, 838). I now submit the following statement to show the kind of evidence which can be so obtained.

The subversive movement which emerged and gained a foothold in the Federal Government during the 1930's began many years before that time. It was directed by a radical intellectual elite and it operated by infiltration, propaganda, and smear. Radical cells were organized in Federal agencies and educational groups. The Ware cell set up by Communists in the Department of Agriculture is an example. This intrigue was exposed by Dr. William A. Wirt, who was destroyed for taking a patriotic stand. In Washington, during this period, it was the fashion to be pro-Communist. Radicals were able to infiltrate, in the name of reform, under cover of this crisis. They took advantage of these conditions to bring about revolutionary change. The people trusted their new leaders and were betrayed. Even men in high places were deceived. The mass indoctrination in education, as we know it today, developed more gradually.

This committee is vitally concerned with the extent to which foundations may have financed, aided, or protected this radical propaganda and infiltration. The part played by the Garland Fund is well known. Undoubtedly there were others. To fully explore this subject will require an exhaustive study of the history and development of the American subversive movement. Obviously, this is a long-range study. The question which can be determined now is the following:

"Has foundation support ever been given to educational projects designed to combat subversion?"

Large foundations have monopoly power. Their action in denying applications amounts to censorship where there is a discriminatory purpose in exercising this arbitrary right of rejection. Has there been such a veto against projects concerning national defense and security?

The foundations with large income and asset value are the following:

Name	*Endowment*
Rockefeller Foundation	$321,054,125
General Education Board (a Rockefeller affiliate)	140,077,288
Carnegie Corporation of New York	177,187,884
Ford Foundation	502,587,957
Total	1,140,907,254

The combined asset value of these giant monopoly power foundations is therefore in excess of 1,100 million. These figures are based on reports filed with the Cox committee.

The Carnegie and Rockefeller Funds have operated for many years. The Ford Foundation was established more recently, but its present impact is the greatest, and its influence is highly important.

For the purposes of this questionnaire, the year 1920 is taken as a starting point. The radical group was well organized at that time. The New York Legislature had already determined, in creating the Lusk committee, that there was an active conspiracy to overthrow the Government. This committee exposed radicalism centering in particular in New York City. It filed an exhaustive four-volume report on the subject of Revolutionary Radicalism. Since the headquarters of the Carnegie and Rockefeller Foundations were located in this area, their trustees must have been put on notice even at this early date.

The Garland Fund operated from 1922 to 1928 with offices at 2 West 13th Street, New York City. It contributed $2 million to radical groups and its board included Communists and Socialists. (See testimony of Walter S. Steele at hearings of House Special Committee To Investigate Communist Activities, 71st Con., 2d sess., H. Res. 220.)

Eastern business and financial interests favored a soft policy toward Communist Russia. In March 1926 a group of prominent men advocated diplomatic recognition. Ivy Lee, a public relations man, made a special trip and spent about 2 weeks in the Soviet Union. He then wrote books and sought to reinterpret the "Russian menace." Evidence on this will be found in the New York Times, issues of March 27, 28, 29, 30, and 31, 1926, and in the writings of Mr. Lee.

In 1926 Carnegie Corporation made a $300,000 grant to a Social Studies Commission of the American Historical Society to review textbooks and curriculum practices. That commission in its report advocated use of the public schools to promote socialism and a collective economy. (See "Conclusions and Recommendations.")

Prof. George S. Counts, of Teachers College, Columbia University, began his Russian travels and study of Soviet education in 1929. In 1932 he advocated use of the public schools to "build a new social order."

Congress began its investigation of subversion in 1930 with the appointment of a special committee pursuant to House Resolution 220.

Our study should therefore begin with the date of the first legislative investigation of the subversive movement. As above-mentioned, this was the Lusk committee inquiry of 1920. It is possible, with a questionnaire, to obtain data such as the following:

(1) Whether at any time during the period 1920–53, inclusive, the foundations have ever supported research or education designed to

expose the conduct, propaganda, or activities of the Communist or Socialist movements in this country;

(2) Whether they have supported the work of active anti-Communists, anti-Communist organizations, or repentant Communists who have since demonstrated their loyalty and rendered valuable service to the cause of freedom by combating and exposing subversion;

(3) Whether they have supported the publication and/or distribution of anti-Communist or anti-Socialist books, pamphlets, instructional material, or other literature;

(4) The description of all projects of this nature, including names, dates, and amounts, with an outline of the nature, scope, and purpose of such projects;

(5) The total amount granted by these foundations for education and educational research in each year during the period January 1, 1920, to January 1, 1954, inclusive.

It will then be possible to determine—

(*a*) The total and the percentage of foundation resources spent for national defense and security;

(*b*) Whether the charge of discrimination against conservatives and anti-Communists, frequently laid at the door of the foundations, is true or false;

(*c*) The possibility of antitrust liability in the case of the giant funds with monopoly power;

(*d*) Whether from the national defense standpoint these foundations have earned or justified their tax-exemption privilege.

While the giant funds, such as Ford, Carnegie, and Rockefeller, have great financial power, there are other smaller foundations whose assets, in the aggregate, are substantial. With a special questionnaire, the committee may ascertain:

(1) The nature and extent of this other foundation capital;

(2) The number of such foundations having charter power to support education for national defense and security;

(3) Their willingness to exercise this power;

(4) The reasons why any foundation may be unwilling to assume this responsibility.

No infringement of civil liberty is involved in obtaining this information. The committee has the right and the duty to investigate possible violations of the Federal antitrust laws. Federal taxpayers now carry a heavy burden in the hot and cold wars against communism. If private enterprise in the field of tax-exempt foundations is unwilling to exercise its power and carry a fair share of this educational burden for national defense, it may be necessary to tax the foundations just as other corporations are now taxed. The tax revenues thus obtained would support congressional investigations and other work made necessary by this abdication of trust responsibility.

Since 1949 appropriations for the Senate Internal Security Committee and the House Un-American Activities Committee have totaled $1,908,000. The average annual cost has been $419,000.

Taxes were increased at least $35 billion on account of war in Korea. There were 140,500 casualties. The total cost will never be determined.

It is the duty of foundations to be patriotic and loyal—not merely in a negative, but in a positive sense; to obey the law; to respect their exemption privilege; to comply with reasonable standards of ethical

conduct. The statement attached hereto is a reasonable standard of conduct which should be adopted by this committee.

The American people are patriotic. They pay heavy taxes. They carry their full share of responsibility in supporting and defending the Government and Constitution of the United States. Many of them have rendered military service. Some have made the supreme sacrifice.

Are the foundations patriotic or unpatriotic?

What is the attitude of the business and financial leaders who sit as trustees on the boards of these great tax-exempt corporations?

Dated: July 23, 1954.

Respectfully submitted.

AARON M. SARGENT.

UNITED STATES OF AMERICA,
State of California,
City and County of Santa Clara, ss:

Aaron M. Sargent, being first duly sworn, deposes and says:

I am the witness above named who presents this to the House of Representatives Committee to Investigate Tax-Exempt Foundations. I personally prepared this statement and am familiar with its contents. All statements of fact therein are true to my own knowledge.

AARON M. SARGENT.

Subscribed and sworn to before me this 23d day of July 1954.

[SEAL] LEONE FLYNN,
Notary Public.

MAY 24, 1954, STATEMENT

The investigation required of this committee is one of the most important matters which has ever come before the Congress of the United States. It concerns national security, the defense of the principles set forth in the Constitution of the United States. You will find that the situation confronting you is the result of a disregard of trust responsibility—a condition amounting to abdication of duty by the trustees of the tax-exempt foundations which have exerted such a great influence in the history of our country since the turn of the century.

In discharging its responsibility and weighing the evidence, this committee must have some standard or yardstick to apply. I believe the following are the legal and moral standards which apply to this trust relationship:

STANDARDS OF FOUNDATION CONDUCT

It is the duty of tax-exempt foundations and their trustees to observe and be guided by the following standards of conduct:

First: Patriotism.

To bear true faith and allegiance to the philosophy and principles of government set forth in the Declaration of Independence and the Constitution of the United States.

Second: Loyalty.

To be active and positive in supporting the United States Government against revolutionary and other subversive attacks.

To put patriotic money at the disposal of patriotic men in the field of education to enable them to support and defend our Constitution and form of Government.

Third: Obedience to law.

To faithfully obey the laws of the United States and the provisions of State law under which foundation charters are granted.

Fourth: Respect for exemption.

To use the tax-exemption privilege in good faith, recognizing the purpose for which that privilege is granted.

To refrain from supporting communism, socialism, and other movements which (1) increase the cost of government, (2) endanger national security, or (3) threaten the integrity of the Federal Government.

Fifth: Academic responsibility.

To limit their activities to projects which are, in fact, educational, and are conducted in an academically responsible manner in accordance with proper academic standards.

To refrain from using education as a device for lobbying or a means to disseminate propaganda.

The money administered by these foundation trustees is public money. The beneficiaries of these trusts are the American people: the parents of children in our public schools. Education is a sacred trust. A high degree of integrity is expected of those connected with it. We must consider the ethical duty of foundation trustees from that standpoint.

HOUSE OF REPRESENTATIVES: CONGRESS OF THE UNITED STATES

IN RE PROCEEDINGS OF SELECT COMMITTEE TO INVESTIGATE TAX EXEMPT FOUNDATIONS (H. RES. 217)—TESTIMONY OF AARON M. SARGENT

Inset: Excerpts from June 13, 1951, speech of Lawrence C. Lamb, member of Pasadena Board of Education (Vital Speeches, issue of August 1, 1951, pp. 625–628)

The following excerpts from an address of June 13, 1951, to the Sons of the American Revolution at Pasadena, Calif., by the Honorable Lawrence C. Lamb, member of the Pasadena Board of Education, are presented for insertion in the transcript of the committee hearings of May 26, 1954, volume 8, page 800, at line 15, viz:

As a preface let me say that I feel that it is my duty to make this report. It would be so much easier to coast through the balance of my term of office of school trustee by saying nothing and doing nothing. However, too many people are convinced that what happened in Pasadena during the past year has grave national implications, that free, public education as we know it, is imperiled; that a nationalized educational system would be a controlled system of education; that Federal aid to education would mean Federal control with its attendant political bureaucracy and regimentation. * * *

For the past 2 years I have been 1 of a crew of 5 very unhappy people engaged in riding out a storm of violent educational controversy, the fury of such proportions as has seldom been experienced in any community before, much less in Pasadena. * * *

Our educational system, like our political systems, has evolved over a period of many years and is based on the democratic principle "of the people, by the people, and for the people." Since it was purposely omitted from the Federal Constitution it is a prerogative of the State. It has its checks and balances

with ultimate authority vested in all of the people, who elect a board of lay citizens to represent them. * * *

This is what the board is for: to act, in effect, as a mirror; to reflect the thinking and actions of the superintendent to the people and the thinking and actions of the people to the superintendent. This relationship between all parties is a vital one requiring mutual confidence and respect. Any subversion or breakdown subjects the whole system to failure. * * *

What happened in Pasadena has happened in many other of the surrounding towns and school districts: Glendale, Los Angeles, Inglewood, etc. But the question is asked: If superintendents are relieved as a matter of course all around us, why then the "battle royal" in Pasadena, assuming national proportions with the focus of as much unfavorable publicity as could possibly be brought to bear? In other districts there have been divided boards, superintendent contracts paid off in advance—sometimes 2 in 1 year—superintendents have violated their code of ethics by going over the "heads of their boards" to the people, have preached democracy openly and practiced autocracy behind the scenes, yes, even boards have been submerged by ground swells of public opinion, but no national implications were involved. Why then did Pasadena, almost overnight, become involved in a cataclysm of strife, bitterness, name calling, smearing, and defamation of character, an emotional binge of such proportions that it defies description? Why did experts fly here from their bastions in eastern cities to investigate and cross-question us? * * * How did we rate so highly that a national publishing house would send their topflight authors here to write a book portraying our Pasadena people and their representatives as villains, idiots, and stupid fools and yet the president of this same publishing house refused an interview and admitted he was not the least bit interested in hearing the "other side" from one who made the trip to New York, at her own expense, for that purpose? What power so great is it that can persuade the president of such a venerable institution as Harvard University to promulgate his verdict solely on hearsay? * * *

In answer to these questions, certain facts stand out distinctly and vividly. Pasadenans had the nerve to demand their rights. The right to adhere to the laws of the State educational code, in spirit as well as the letter, and secondly, the right to question what was being taught to their children. * * *

Our people are filled with fear and anxiety. They know that sinister influences and ideologies are seeking to subvert and undermine our national and cultural institutions. * * *

Without doubt there are subversives in the public schools of America. Where would you go to gain control of the minds of youth but to the schools? Subversive activity and influence in a school system can be so clever, well concealed, and dangerous that it often fools the better informed and responsible leaders of the community, often enlisting them as gullible non-Communistic dupes. Although I am loath to believe there are any in our Pasadena schools, many of us have been the victims of commie types of intimidation and persecution. They always use the characteristic defense of smear agitation tactics.

If you notice this same procedure is used against the regents of our great State university where topflight educators complain that loyalty oaths restrict their academic freedom". * * *

As to free public education on the national scene, in light of what has happened to us here. I am not so optimistic and I prophesy that we will, with increasing frequency, hear of similar situations like Pasadena's, where the "enemies" of education dared to criticize ineptness, fadism, and the tolerance of leftist antics in their school systems. * * *

Our powerful national lobby and pressure educational organizations with their altruistic sounding titles, impressive personalities, and who consider themselves sacrosanct in the field of education, must beware that they do not become guilty of the same despotism they attempt to lay at the door of others. With foundations and war chests of millions at their disposal it is very easy to forget that children come first. As an example let me read you an excerpt from the New York Times, May 12, 1951:

"WAR ON ILLITERACY IN WORLD IS URGED—HEAD OF UNESCO PROPOSES TO ITS UNITED STATES UNIT A 12-YEAR PLAN AT A COST OF $20 MILLION

"The United States Commission for UNESCO today voted support of a resolution, which will be rephrased to incorporate suggestions made from the floor, for the purpose of backing up the public-school system in cases such as that of Willard E. Goslin, forced to resign as superintendent of schools of Pasadena,

Calif. The resolution was offered by Willard E. Givens, executive secretary of the National Education Association."

A photostatic copy of this speech as printed in the August 1, 1951, issue of Vital Speeches of the Day, is attached hereto.

Dated: July 22, 1954.

Respectfully submitted.

AARON M. SARGENT.

UNITED STATES OF AMERICA, STATE OF CALIFORNIA,
City and County of San Francisco, ss:

Aaron M. Sargent, being first duly sworn, deposes and says:

I am the person who appeared and gave testimony in the above entitled matter on May 26, 1954. The excerpts to be inserted at volume 8, page 800, of the transcript of said hearing are true copies and the photostat attached hereto is a true reproduction of the speech in question as above described.

AARON M. SARGENT.

Subscribed and sworn to before me this 22d day of July 1954.

CLARA E. HAY,
Notary Public.

My commission expires April 17, 1956.

WHY THE "BATTLE ROYAL" IN PASADENA

"The schools belong to the people, not the board, nor the educators, nor the students"

(By Lawrence C. Lamb, member, Pasadena Board of Education, Pasadena, Calif., delivered to the Sons of the American Revolution, Pasadena, Calif., June 13, 1951)

As a preface let me say that I feel that it is my duty to make this report. It would be so much easier to coast through the balance of my term of office of school trustee by saying nothing and doing nothing. However, too many people are convinced that what happened in Pasadena during the past year has grave national implications, that free, public education as we know it, is imperiled; that a nationalized educational system would be a controlled system of education; that Federal aid to education would mean Federal control with its attendant political bureaucracy and regimentation. I am not an alarmist, do not scare easily, but do believe that to be forewarned is to be forearmed.

For the past 2 years I have been 1 of a crew of 5 very unhappy people engaged in riding out a storm of violent educational controversy, the fury of such proportions as has seldom been experienced in any community before, much less in Pasadena. As I have always maintained, I am not an educator, and do not pose as an expert. Mine is an attentive ear and an open mind. As such I was elected to the Pasadena School Board 2 years ago as a representative of all of the people in our school district, without the aid of any party or political group. I am strictly free and independent and have scrupulously maintained this relationship by avoiding identifying myself with pressure groups. I have tried to extend the same courtesy and attention to all.

Now that our recent tax election has passed, insuring our educational program for the forthcoming year, a great weight of concern has been lifted from our minds. The success of the election here was basic to our local situation as it clearly demonstrated and proved beyond a doubt that our people, parents, businessmen, taxpayers alike, are intelligent, anxious to support their public schools and have confidence in our present school administration—as overwhelmingly so as they repudiated the administration of a year ago. Now many questions can be answered without danger concerning the events of the past year here. John Quincy Adams once said, "There is nothing so powerful as the truth and often nothing stranger." As to the events relative to our former school administrator, that the board of education trustees after much consideration would

deliberately choose without reason, the course of action they did, so perilous to their personal interests and integrities, is unthinkable. That there might have been considerations, other than personal ones, inimical to our educational program and philosophies, few people were aware of at the time. It's rather a long story, so we will begin by showing how our educational system of free public schools is legally constituted.

Our educational system, like our political systems, has evolved over a period of many years and is based on the democratic principle "of the people, by the people, and for the people." Since it was purposely omitted from the Federal Constitution, it is a prerogative of the State. It has its checks and balances with ultimate authority vested in all of the people, who elect a board of lay citizens to represent them. Thus being responsible to the people this board is charged by law with certain duties, chiefly policy and finance. Although education is considered a State function, that the schools belong to the people of each community is attested by the fact that these people organize themselves within local school districts, each with its own board. To support their school districts, the people tax themselves ad valorum, with some aid coming from State educational appropriations. This gives the people every right, as long as they are paying the bill, to decide what their schools should be. "The schools belong to the people, not the board, nor the educators, nor the students, but to all the people."

The board of education, being lay citizens, must and should delegate all functions to professionals trained in their respective fields. The most important position to be filled is the office of superintendent of schools. This person must be well qualified in the elements of administration and education, not solely in one or the other but in both. As an administrator here he has control of many millions of dollars to be spent annually either wisely or unwisely. As his educational philosophies are to be used in the education of the children of the people of this district, they have an inherent right to know and understand them. This is what the board is for: to act, in effect, as a mirror; to reflect the thinking and actions of the superintendent to the people and the thinking and actions of the people to the superintendent. This relationship between all parties is a vital one requiring mutual confidence and respect. Any subversion or breakdown subjects the whole system to failure, and results in failure for the administrator and suspicion and hostility on the part of the people, who have no choice but to take it out on the board who hires the superintendent. Therefore, one does not have to use much imagination to see that any strong-willed superintendent could put over his own program if he were able to subvert or divide his board or undermine and weaken it into a virtual rubber stamp. Brilliant but unscrupulous educators, with their dynamic speeches in educational jargon, have no trouble selling their people first, who, preoccupied with the business of life, sincerely want to believe but who cannot spare the time to check up on the speaker's statements. Usually they sound quite reasonable and harmless yet within them may be implications noticed only by a few of the astute. Surely, we all want good schools; we all want peace, too; but do we all have the same price in mind? The policy of going over the heads of the board to the people, by the superintendent, although fine at first, eventually bogs down when the people fail to keep up with him and his enervated board is not there to mediate and interpret for him.

So it was that what happened in Pasadena has happened in many other of the surrounding towns and school districts: Glendale, Los Angeles, Inglewood, etc. But the question is asked: If superintendents are relieved as a matter of course all around us, why then the battle royal in Pasadena, assuming national proportions with the focus of as much unfavorable publicity as could possibly be brought to bear? In other districts there have been divided boards, superintendent contracts paid off in advance—sometimes 2 in 1 year—superintendents have violated their code of ethics by going over the heads of their boards to the people, have preached democracy openly and practiced autocracy behind the scenes, yes, even boards have been submerged by ground swells of public opinion, but no national implications were involved. Why then did Pasadena, almost overnight, become involved in a cataclysm of strife, bitterness, name calling, smearing, and defamation of character, an emotional binge of such proportions that it defies description? Why did experts fly here from their bastions in eastern cities to investigate and cross-question us? Why did telegrams in criticism of the board's action arrive from almost every national teachers' and administrators' organization? Why did the national periodicals, such as Life and Time portray the martyrdom of an individual without taking the trouble

to get the facts on both sides of the question? How did we rate so highly that a national publishing house would send their top-flight authors here to write a book portraying our Pasadena people and their representatives as villains, idiots, and stupid fools and yet the president of this same publishing house refused an interview and admitted he was not the least bit interested in hearing the other side from one who made the trip to New York, at her own expense, for that purpose? What power so great is it that can persuade the president of such a venerable institution as Harvard University to promulgate his verdict solely on hearsay? Yes; even Winchell as well as other newspapers and periodicals parroted his example with the same unscientific approach. And lastly, why was it that the original report of the National Education Association Commission for the Defense of Democracy was ready for release last April and has not to date made its appearance?

Well, I can remember not so long ago how we used to listen patiently and smile indulgently when some crackpot would suggest that Pasadena's school system was being made a guinea pig for the Nation. Our smile has become a wee bit wry now. Is it possible that Pasadena which always prided itself on having the very best of everything, and which combed the whole country for the top-flight administrator, was sold a bill of goods? Is it possible that our board, goaded, harassed, and frustrated with administrative errors and failures, too numerous to mention, inadvertently upset a timetable? That perhaps in our blundering way we fired the heir-apparent? Is it possible, after all, that there is a blueprint for nationalization of our schools with its attendant regimentation and slight fee for handling?

In answer to these questions, certain facts stand out distinct and vividly. Pasadenans had the nerve to demand their rights. The right to adhere to the laws of the State educational code, in spirit as well as the letter, and, secondly, the right to question what was being taught to their children. In the first instance, the board was required to take action to correct; in the second case, involving philosophies of education, only the citizens took issue with the program, the board assuming the position of arbitrator. Here is where the term "progressive education" came in.

Again stating that I am not a technician on educational philosophies, that I believe in modern methods and I realize that times are changing I would like only to reflect here some of the thinking that others have made known to me on so-called progressive education.

In the first place war times are not normal times. Our people are filled with fear and axiety. They know that sinister influences and ideologies are seeking to subvert and undermine our national and cultural institutions. Iconoclasts have succeeded in tearing down and destroying many of our ancient monuments and landmarks. Individualism and self-determination concepts are being discredited and debased as selfish and not sympathetic to the welfare of society. In many quarters such watchwords as thrift and private enterprise are blacklisted. No wonder then are our people confused by the cannotations of "teaching the whole child," "learning what we live," and "no indoctrination for good or bad." Some believe that in taking possession of the "whole child" schools invade the realm of the home and church, further weakening them where their influences should be strengthened; that individualism stems from the home and that complete socialization of the child at school would level and submerge individualism and personal initiative. They say it is hard to be an individual now that we are caught in the whirlpool of "isms." Nazism—putting the race first; communism—the class first; and with fascism, the state taking precedence over the individual. All we come out with is a social-security number. This was certainly not the idea of our Founding Forefathers had in mind. Also where will we exepect to find moral and spiritual values if the home is superseded? There has been a great lessening of emphasis on these values in our training institutions lately and with the Bible practically shut out of our schools, some people attempt to stigmatize them as godless.

Next, "to learn what we live" is most discouraging. None of us are quite satisfied with our lives. What then must we expect from children subjected to this materialistic age and bombarded by movie, television, and funny book containing the suggestions of every conceivable type of crime? Should they not be spared even from the example we set for them in our bars and night clubs? Never has secular knowledge reached such new heights and human folly such new lows. "Art for art's sake," "business for business' sake," and "education for education's sake." And lastly, not being able to "teach for good" raises many an eyebrow. Just how can be expect our children to enjoy "the good life"

without being able to identify it to them in terms of high ethics and principles, is a mystery to most. Naturally, our children must adjust themselves to present conditions but the increasing ratio of penal and mental institutions does not speak so well for present systems.

Totalitarianism is our public enemy No. 1 of today. Many of the ideological "isms" are not so dangerous per se except wherein they insist on being totalitarian. Each would destroy all other competing "isms." That is what makes them dangerous. They can't stand competition. Could it be that we face this same type of enemy in education—totalitarianism? When anyone who has the nerve to question faddism, unsatisfactory teaching methods, ill-disciplined students, and the crackpot antics of school executives is smeared as an enemy of public education, is it not time to alert the people who own the schools? Also those who have reason to be concerned about subversive and communistic influences within our schools get the same treatment—smear attacks and intimidation. Without doubt there are subversives in the public schools of America. Where would you go to gain control of the minds of youth but to the schools? Subversive activity and influence in a school system can be so clever, well concealed, and dangerous that it often fools the better informed and responsible leaders of the community, often enlisting them as gullible noncommunistic dupes. Although I am loath to believe there are any in our Pasadena schools, many of us have been the victims of commie types of intimidation and persecution. They always use the characteristic defense of smear agitation tactics.

If you notice this same procedure is used against the regents of our great State university where topflight educators complain that loyalty oaths restrict their academic freedom. Anyone who will take the trouble to read the book supplement of the June 1951 Reader's Digest entitled "Eleven Years in Soviet Prison Camps" may well wonder what price freedom, academic or otherwise. In my opinion, their complaint is nothing else but the age-old apathy of the employee to take orders from the boss. Of course, they are perfectly willing to reach into the public purse, but these petty inhibitions irk them. All of us need to reaffirm our faith in the things that made America great; it is good for us. It is possible to change faith overnight. Recently one of our fine local educators expressed surprise that the law required a minister to take the oath before he could collect an honorarium for his commencement speech. Why should a minister be immune? Isn't he human, an American and entitled to the same privileges as any of the rest of us? Very frankly, I would be willing to reaffirm my faith daily as a prayer of thanksgiving for the blessings I receive in this free land of ours.

Therefore, these reports that the loyalty oath make our teachers nervous, uncertain, and fills them with anxiety only fill me with amusement. Any teacher who is worried has a very good right to be, as every honest teacher knows he is safe and secure by his tenure and his rights as a citizen, which every one of us will fight to keep secure for him.

Concerning the book This Happened in Pasadena, we must not give all the discredit to author Hulburd. He only compiled it. Several of the writers we know of live right here in Pasadena, some within our schools and some outside. They will never be molested. They will only have to live with themselves. One, an official of one of our local civic organizations, when making a speech before a service club here, was so brazen as to publicly lament and deplore the unfavorable publicity the book occasioned here and at the same time virtually recommended the book. Hypocrisy is not to be found only in low places.

As to our educational program here in Pasadena I believe the future looks brighter and clearer. Never again do we have to be a national battleground. Let us never again buy a pig in a poke. Let us search and develop our talent within our own system which we know intimately and they know what we want. That a man has no honor in his own country is an exploded myth. Truly, we want the best; but whose word are we to take for what is the best? It is true that some very good board members have been expended here for the best interests of our schools, people whose allegiance to our children transcended all personal considerations. Who chose to retire rather than prolong any controversy that might possibly jeopardize the recent tax election? To them I bow in deep respect as only another board member could appreciate the poignancy of their position. Time will reveal them as exemplary public benefactors. To avoid the sacrifice of others, perhaps our successors, I have given considerable thought and attention, especially, to our board routines and procedures. I feel there could be a marked improvement by identifying in print a simplified code of board policies and rules which when circulated, would not only be informative to our people but would be of inestimable value to our new board members. I am busy now on this codification and believe it will eventually be a valued contribution.

As to free public education on the national scene, in light of what has happened to us here, I am not so optimistic and I prophesy that we will, with increasing frequency, hear of similar situations like Pasadena's, where the enemies of education dared to criticize ineptness, faddism, and the tolerance of leftists antics in their school systems. True, public education has always had its enemies, and always will, but we must keep open the market place of competitive thought and opinion. Our powerful national lobby and pressure educational organizations with their altruistic sounding titles, impressive personalities and who consider themselves sacrosanct in the field of education, must beware that they do not become guilty of the same despotism they attempt to lay at the door of others. With foundations and war chests of millions at their disposal it is very easy to forget that children come first. As an example let me read you an excerpt from the New York Times, May 12, 1951:

"WAR ON ILLITERACY IN WORLD IS URGED—HEAD OF UNESCO PROPOSES TO ITS UNITED STATES UNIT A 12-YEAR PLAN AT A COST OF $20,000,000

"The United States Commission for UNESCO today voted support of a resolution, which will be rephrased to incorporate suggestions made from the floor, for the purpose of backing up the public school system in cases such as that of Willard E. Goslin, forced to resign as superintendent of schools of Pasadena, Calif. The resolution was offered by Willard E. Givens, executive secretary of the National Education Association.

"It calls upon citizens throughout the United States to oppose attacks on public education; and upon education projects in furtherance of the ideals of this Nation and the purposes of UNESCO. A National Education Association investigation in Pasadena had shown that a redistricting had brought a block of Mexican children into two new junior high schools, which was protested by a school development council."

Please note that the article is not even correct. It was not a block of Mexican children; neither did it involve two junior high schools; nor did the school development council protest it. However, for propaganda purposes it may have been more expedient to use them. It should be remembered that the power to oppress others always contains within it the seed to destroy itself.

In closing let me say that controversies concerning educational practices and systems demand research, technical information, legal and financial experience. No one group or faction can meet a local situation that is troublesome and solve it effectively. It calls for a pooling of effort of all segments of the community. It is a time for clear thinking without animosities and petty jealousies. A time when we can meet together as good citizens.

In May 1903, Theodore Roosevelt said this of the qualifications of a good citizen:

"I ask that we see to it in our country that the line of division in the deeper matters of our citizenship be drawn, never between section and section, never between creed and creed, never, thrice never, between class and class; but that the line be drawn on the line of conduct, cutting though sections, cutting through creeds, cutting through classes; the line that divides the honest from the dishonest, the line that divides good citizenship from bad citizenship, the line that declares a man a good citizen if, and always if, he acts in accordance with the immutable law of righteousness, which has been the same from the beginning of history to the present moment and which will be the same from now until the end of recorded time."

TAX-EXEMPT FOUNDATIONS

WEDNESDAY, JUNE 2, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10:10 a. m., pursuant to recess, in room 301, New House Office Building, Hon. B. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece (presiding), Goodwin, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst.

The CHAIRMAN. The committee will come to order.

Mrs. PFOST. Mr. Chairman, before we begin our hearings this morning, I should like to make certain proposals.

When I was appointed a member of this committee, I assumed I was to be allowed to participate fully in its work. I thought that on this committee, as on other committees, I would be informed in advance of the subject matter to be discussed at the hearings so I could bring to them such perceptions and knowledge of the subject as I might have, and to make use of them. Instead, I find myself sitting here hour after hour and day after day, listening to controversial and oftentimes confused testimony, and trying to piece together bit by bit its substance and its conclusions in almost the same manner as would a visitor in this committee room. It is a very unsatisfactory use of my time and a waste of the taxpayers' money.

Now, as the chairman and members of this committee well know, when a jury is asked to render a verdict in a court trial, the counsel for both sides present an outline of their case and in the opening statement before the evidence is given. Likewise, when a case on appeal is presented to a reviewing court, briefs are furnished well in advance of the hearing in order that the court may be advised of the nature of the case. These are not idle requirements—they are wise provisions growing out of centuries of experience to insure the court and jury the best possible opportunity to understand how each piece of evidence and argument presented to them fits into the whole picture.

This committee is being asked to sit in a capacity similar to that of a court or jury. We are having a story presented to us. We have a counsel and trained lawyers. But have we received testimony sufficiently in advance to enable us to acquaint ourselves with its nature? Have we ever been briefed by the staff on the overall picture? Have we ever been told in advance the general outline of what a witness is going to say—the significance of his testimony and how it fits into

the whole picture? This has not been done, and why not, Mr. Chairman?

This committee was formed about 10 months ago. During the greater part of that time the Federal Government has been paying out tens of thousands of dollars for the services of the committee staff. If the staff has not had time during these months to prepare accurate outlines and studies for these hearings, let us adjourn until such time as the staff is ready. If our pace since the hearing started has been too speedy, then let us slow down.

If it is not lack of time, then is it, as I suspect, carefully planned strategy to prevent certain members of this committee from preparing themselves in advance for these hearings? If this is so, why is it so? Surely the members of the staff are not afraid to have their work examined. Could it be possible that there is a design in the making, the nature of which those in control of this committee wish to keep secret? And is that design to present one side of the picture only—without rebuttal testimony immediately following which perhaps could change the picture considerably?

I am becoming increasingly alarmed by the manner in which these hearings are being conducted. If, as it now appears, this is not to be an objective inquiry to get the facts, but rather a sounding board for propounding loaded evidence, then let us find out right now.

Now, Mr. Chairman, I move that these hearings be adjourned until such time as the whole committee has been thoroughly briefed as to the nature of this inquiry, namely: (1) The points to be considered; (2) the present schedule of witnesses to be called throughout the entire hearings; and (3) the length of time it is expected that the hearings will consume.

I also embody in my motion the request that all committee members be given the names of those who will testify at least a week in advance of their appearance here, together with an outline of what they are going to say.

Now, I do not desire to be an obstructionist, nor will I be, but neither am I willing to sit here in the dark day after day, merely to constitute a quorum. I want to know what is going on—and why.

Mr. Chairman, I should like an answer to my questions and a vote on my motion before we proceed further with these hearings this morning.

The CHAIRMAN. Mrs. Pfost, there is no indisposition to give you an answer to any questions you may have propounded in the prepared statement which has been presented, nor will there be any indisposition to give you a vote on the motion, although the Chair does question the propriety of the motion at this time. It seems to the chairman that the committee has followed the orderly procedure. The staff has on numerous occasions discussed with the committee the course of the inquiry, and in an overall way the subject matter that was intended to be presented to the committee as a direction of the inquiry to be made. In the very opening session, the Director of Research made a presentation to indicate the results of certain preliminary studies, and then called witnesses who presented criticisms of the foundations, and it was intended and it is the purpose of the committee to complete the hearing of those who do have criticisms of the foundations. Then the foundations and representatives of the

foundations and others whom the committee might decide should appear to develop all of the facts.

Knowing the criticisms that had been made, they would appear and give testimony to develop the whole picture, which has seemed to me, as chairman, to be a logical procedure. It seemed to the committee to be a logical procedure, and I might say, to the foundations with which it has been discussed, it has appeared to be logical procedure.

I don't look upon this as a court or as a trial. This is an inquiry. This is a study group to develop the facts connected with this very important question. We have, as I stated in my earlier statement, some 7,000 foundations in the United States, with resources of about $7 billion, possibly considerably in excess of that, with a national income in excess of $300 million, most all of which has been made possible through tax exemptions. Therefore, the Congress and the people have a very proper interest in determining and ascertaining whether these very vast sums derived from tax exemptions are being spent in accordance with the tax-exemption statutes, and whether they are being spent in accordance with the best interests of the country.

Certainly the manner of procedure has been a well-adopted type of procedure in an inquiry of this nature. While it may not be particularly pertinent to the question which you raise, so far as I am concerned, and I am satisfied that is true of the members on my right, we have tried to be entirely objective in our procedure, and in developing this information. So far as I am concerned, I am not representing any cause or any side. Neither do I look upon this as an investigation of foundations primarily. It is an investigation of the activities of foundations to ascertain whether those activities are in accordance with the law and with the best interests of the country.

Does anyone wish to be heard on the motion?

Mr. HAYS. Mr. Chairman, I have just seen this question about 5 minutes before the committee came into session. It seems to me that Mrs. Pfost has made some very pertinent points that I would be inclined to agree with, and I would like at this time to second her motion.

I would like to take issue, Mr. Chairman, with at least one point you made. That is, that you said that this was a study to get the facts. I hope that is what it is, and I believe that you believe that is what it is. But I would like to point out, Mr. Chairman, that up to now—I hope this morning, and I believe this morning we perhaps will get some facts when we get to the witness—up to now so far we have had a series of people on the stand who have been sworn and who have testified to their opinion. I submit to you, Mr. Chairman, that is a very unusual procedure, that it is not a well-adopted type of procedure, that it is so unusual that I don't think you can ever find any records of any committee of Congress before who has spent 3 weeks listening to sworn opinions.

I submit to you, Mr. Chairman, that opinions have no force and effect unless the committee or whoever is listening to the opinions has a great deal of respect for the person whose opinions are being stated. Even then they will just continue to be opinions.

I would be interested in knowing, Mr. Chairman, before we vote on this motion, if there is any information available as to whether

in all of the college professors, we will say, that the staff must have contacted, there have been any of them who have expressed a difference of opinion from the ones that we have had in here, Professors Briggs and Hobbs, and if so, whether the staff has any plans to call any 1 or 2 or 3 of them and let us hear what they have to say.

Mr. Chairman, I won't attempt to spring any traps on anybody. I have here in my possession the head of the political science department of one of the great universities——

(The chairman rapped the gavel.)

Mr. HAYS. Just let me finish my statement. You are not going to stop me by that. You can break that thing.

The CHAIRMAN. You are talking about springing traps.

Mr. HAYS. I am saying I am not trying to.

The CHAIRMAN. You have cast slurs on this chairman. I have determined that I was not going to lose my good disposition.

Mr. HAYS. I will pardon you for a momentary loss of it. It is quite all right.

The CHAIRMAN. I am not going to do it. But from now on this committee is going to be conducted in accordance with rules of procedure.

Mr. HAYS. Now, Mr. Chairman, perhaps you have been looking at television too much, but I think I have told you before and I will try very kindly to tell you again, that you can bang your gavel all you please, but you are not going to silence me when I think I have something pertinent to say.

Let me say I am not casting any aspersions on you, Mr. Chairman, and you certainly lost your temper a little too quickly. I pardon you for it. I want to say that I compliment you that you have maintained very good control up to this point. All I started to say is that I have a letter from a professor of political science, who is the head of a political science department of one of the great universities of the South, who disagrees with the things that have been said here, and who offers voluntarily to come in and tell what he thinks about it. All I was trying to do, Mr. Chairman, is to find out if we have any plans to let people like that come in. I think it is pertinent in view of the motion that Mrs. Pfost has made.

The CHAIRMAN. The chairman is calling an executive meeting as soon as it might be convenient for the committee members to attend, hoping that it may be tomorrow afternoon, at which time these matters will be discussed, and when we will not have the pleasure of being on television. It happens, however, since you made reference to my having observed television too much, that I am one man who has not observed television more than 2 or 3 times within the past year, and not at all in connection with the proceedings of this committee. I am not indicating that is not due to any lack of satisfaction I get out of observing television, but I have had other things to do.

Mr. Goodwin?

Mr. GOODWIN. Mr. Chairman, if there is anything this Congress and this committee has not got at the present time it is time to waste. I think we should vote down the motion of Mrs. Pfost in order that we can get along as speedily as we can. I take it from the agenda of the morning that we go on to a little different subject and I assume that the testimony of the morning will come in very nicely at the point and

work in with what Mrs. Pfost has in mind, and then to develop what I had understood was the policy that had been set down by the staff, and approved by the committee, for the conduct of these hearings, namely to hear first and develop the testimony with reference to criticisms which have been made, not of foundations, as the chairman so well said, but the work of foundations, and what they have been doing, and then at the proper time follow this statement and appearances from the foundations themselves.

I think it would be unfortunate if it should be allowed at the proceedings at this particular time when we are getting on. Incidentally, Mr. Chairman, I don't think these lights are helping the committee in the slightest.

Mrs. PFOST. Will my colleague yield?

Mr. GOODWIN. Certainly. I had finished, Mrs. Pfost.

Mrs. PFOST. Thank you. Doesn't my colleague feel that it would be helpful to us, if we knew several days in advance the witnesses that were going to be called, and the subject matter that is going to be discussed, so that we might be better prepared to interrogate the witness at the time he appears here, rather than to pick it up bit by bit as they drop it here as a witness before this committee?

Mr. GOODWIN. I agree with Mrs. Pfost. I understood that was being done, that the staff were furnishing us information.

Mr. WORMSER. Mr. Chairman, may I explain one thing to Mrs. Pfost. Running the schedule of the hearings in the sense of giving witnesses specific days is very difficult. Today, for example, we had expected two witnesses to appear, both of whom are canceled, Mr. Rusk and Mr. Sargent were coming back for cross-examination. The cancellation of witnesses whom I expected to be on the stand for a considerable period of time has happened to us on a number of occasions, and makes it very hard to tell you in advance who we are going to have.

Today we have scheduled the Commissioner of Internal Revenue without much notice, but I don't think that is a very serious difficulty to the committee. The questions you have relating to the tax law itself probably would not need very much preparation. As a matter of fact, the statement is going to be read which covers pretty much the whole situation. It is very difficult to schedule these hearings.

Mrs. PFOST. Mr. Wormser, don't you have some idea of the schedule of witnesses and the people you are planning to call in to testify during the entire length of these hearings?

Mr. WORMSER. Yes, for a certain distance.

The CHAIRMAN. May I interject. Mr. Wormser, I understand the rearrangements are the result of Mr. Rusk's not appearing. As to why he preferred not to appear at this time I have no information, other than that he presumably thought it would be better, as the committee had originally planned, for him to appear in due time after the criticisms had been presented. Again, that was the information that Mr. Rusk transmitted to me. His preference was that criticisms be first presented in accordance with the procedure which the committee is following. At the suggestion of Mr. Hays it was decided to call him this morning and a subpena was issued.

Mr. HAYS. Mr. Chairman, would you yield right there for a clarifying statement? I think you will agree with me that I stated at that

time I had only 1 or 2 questions to ask Mr. Rusk, and when he wrote the letter down asking to be called later, I believe that you will agree with me that he said in that letter that he was afraid that there would be more questions which would lead into a general discussion, and he had not had time to get all the documents together that he wanted. While he would put himself at the disposal of the committee, he preferred to wait until he had completed his case and been called in at such time as he had. Isn't that the substance of what he said?

The CHAIRMAN. That is the substance, coupled with the fact that all the foundation people have agreed that it was a better procedure to present the criticisms in accordance with the procedure which the committee is following.

Another witness who had been called, I understand, is unable to come. In accordance with the suggestion you have made, you have had the statement that is to be presented by the Internal Revenue Service.

Mrs. PFOST. Mr. Chairman, when did we get it?

The CHAIRMAN. Since these other witnesses are unable to come, it was decided that the staff member, Mr. McNiece, would present his statement. Copies of that the committee members have had, I think, for some few days. I want to compliment the Director of Internal Revenue and his staff for getting their statement up as early as this, in advance of the committee meeting. In my years of experience here, I have more frequently seen the Department representatives bring their mimeographed statements with them and hand them to the members of the committee upon arrival. So I feel very grateful to the Internal Revenue Service.

Mrs. PFOST. I am grateful also to have the complete text. However, maybe you are overlooking one of the points I have made. Surely the staff must have some idea of at least the subject matter that is going to be discussed by these witnesses before they appear. Without some short briefing, we have no idea of what the staff is going to require.

The CHAIRMAN. I might say, if I may, Mrs. Pfost, that this is a statement by the Internal Revenue Service, and not a statement by the staff members. Therefore, we were not in a position to brief you in what the representative of the Director of Internal Revenue Service might say.

Mrs. PFOST. Mr. Chairman, I am speaking of witnesses in general. Certainly my motion has nothing to do with Mr. Sugarman's testimony. Here we have been holding our meetings for 3 weeks. We have had very, very little advance notice of who is coming, the subject matter to be discussed, or to know what the procedure is to be. I don't know who is going to be called tomorrow, or the remainder of the week, or I would not have known had I not called the office yesterday afternoon of the staff members to find out. I didn't even know the routine that we were going to proceed under.

That is the question I am putting in the form of a motion.

The CHAIRMAN. If I may make a further response, neither was the Chairman definite about it, because one of the witnesses that had been summoned is not finding it convenient to appear. So Mr. McNiece is appearing in advance.

Mrs. PFOST. Does not the Chairman have some idea?

Mr. HAYS. Could you tell us who that was?

The CHAIRMAN. Professor Colegrove.

Mr. HAYS. That is all I wanted to know. Up to now I didn't know he was not coming.

The CHAIRMAN. He appeared to have very good reasons which are rather cogent that did not go to his own convenience, I might add.

Mr. HAYS. May I ask one further question? I am very pleased with the advance notice that we have been given on Mr. Sugarman.

Mrs. PFOST. I am, too.

Mr. HAYS. That is the kind of thing we have been asking for here. I would just like to know if we can count on that same sort of prepared statements from the witnesses from now on, even if they bring them in with them? I don't care if I have them in advance. If they bring them along, it is very helpful. I think it is a good precedent.

The CHAIRMAN. When it is convenient to have the prepared statements, they will be prepared and they will be presented to the members of the committee as far in advance as it might be possible for the committee to receive them.

Mr. WORMSER. Mr. Chairman, I would like to say we have one witness coming on Friday, Professor Rowe, who will not have a statement, as far as I know. I have not yet been able to see Mr. Rowe. I have talked to him on the phone. My chief interest in calling him is that he appeared before the McCarran committee, and testified at some length on the foundations, and I think his testimony is very valuable. I don't know what he is going to say.

Mr. HAYS. May we have his full name and where he is from?

Mr. WORMSER. It is David Rowe, of Yale.

The CHAIRMAN. Are we ready for a vote? All in favor of Mrs. Pfost's motion, say "aye."

Mr. HAYS. Aye.

Mrs. PFOST. Aye.

The CHAIRMAN. Opposed, "no."

Mr. GOODWIN. No.

The CHAIRMAN. No. Mr. Wolcott's proxy votes no.

Mr. HAYS. Mr. Chairman, right there, I would like to say this, that the motion would have been lost in any case, because of a tie vote, but the next time the chairman votes a proxy, I am afraid I will have to raise a point of order, and cite the section of the Rules of the House. But I won't at this time.

The CHAIRMAN. If you so desire, that may be done. Who is the first witness?

Mr. WORMSER. Mr. Chairman, Commissioner Andrews, Commissioner of Internal Revenue, and the Assistant Commissioner, Mr. Sugarman. I have called them for several reasons, primarily because I think the committee ought to know what the criteria are that the Bureau uses in determining whether foundation activities cross the line. Mr. Sugarman has a written statement, but I believe Mr. Andrews would like first to make an oral statement. I think they might both be called together.

The CHAIRMAN. Of course that is permissible. Mr. Commissioner, will you and Mr. Sugarman come forward, please?

The procedure which the committee has adopted is to qualify all witnesses, if you don't mind. Do you solemnly swear the testimony you are about to give in this proceeding shall be the truth, the whole truth, and nothing but the truth, so help you God?

Commissioner ANDREWS. I do.

Mr. SUGARMAN. I do.

The CHAIRMAN. First, Mr. Commissioner, I wish to apologize for detaining you, as busy as I know you are, while housekeeping matters have been discussed here.

Commissioner ANDREWS. I might say, Mr. Chairman, that it is not unusual for us before the bar to be sort of innocent bystanders. That is all right with us.

Mrs. PFOST. You make me feel a little better, Mr. Commissioner.

TESTIMONY OF T. COLEMAN ANDREWS, COMMISSIONER OF INTERNAL REVENUE, AND NORMAN A. SUGARMAN, ASSISTANT COMMISSIONER OF INTERNAL REVENUE

Mr. WORMSER. Would you state your name and address for the record, please?

Commissioner ANDREWS. T. Coleman Andrews, 1516 Park Fairfax, Alexandria, Va.

Mr. WORMSER. Mr. Sugarman, would you also, please?

Mr. SUGARMAN. Norman A. Sugarman, 8403 Donnybrook Drive, Chevy Chase, Md.

Mr. WORMSER. I understand, Commissioner, you would like to make an oral statement first?

Commissioner ANDREWS. Yes, sir; I would, if I may, Mr. Chairman, Mrs. Pfost, and gentlemen of the committee.

This, as you probably know, is a pretty technical question, and for that reason the presentation this morning will be made by Mr. Sugarman, who is the Assistant Commissioner in Charge of Technical Matters. However, beforehand, I would like to say just a few things about the matter from the standpoint of the Revenue Service in a general way.

First of all, I would like to assure the committee that we, of course, are aware of the problem involved in this question of exempt organizations. There are tens of thousands of such organizations, in fact,

well over 100,000 of one kind or another. Not all of them, in fact by no means the majority of them, are in the category that constitutes a problem. Nevertheless, the number of them is growing to some extent, and we in our awareness of the situation are trying to do something about it from the standpoint of the jurisdiction that we are supposed to exercise over this type of organization. Formerly the entire matter was handled in the Revenue Service here at the headquarters in Washington. In the general plan of decentralization of the operation of the Revenue Service, however, we have concluded, and I believe wisely, that the best way to get on top of the problem, to the extent that it is a problem, is to decentralize the review and control of these organizations to our field offices. So that now the question of reviewing the returns and dealing with matters pertaining to exempt organizations is under the control of the district directors of which there are 64.

Generally always there is at least 1 district director's office in each State; in some States there are more than 1, which accounts for the fact that there are 64 of them. There all problems dealing with the matter of exempt organizations are handled by the directors when there is precedent for the settlement, or rather determination, of decision in the particular case. If it is a new problem, of course, it has to come to Washington for review, and usually for the answer. Or if it is a problem as to which the director is not satisfied that he is sure just what to do, then he may on his own motion send it in to be reviewed here.

So we are doing something about it, as much as we can, but there is an aspect of this matter that I think should be brought to the attention of the committee as a matter of background.

The Revenue Service is charged primarily, of course, with collecting the revenues. That is not quite as trite as it may sound. As you ladies and gentlemen know, we are today confronted in the Revenue Service with raising the highest level of taxation that the country has ever had. We found ourselves 16 months ago beset with problems of an organizational and managerial nature of the most serious consequences. One of them, of course, is the matter of keeping abreast of what is happening in the case of these exempt organizations.

I have explained just what we have done in order to be sure that we are aware of the operations of these organizations; what has to be done in order to keep track of them, however, is another matter.

Since our problem is primarily one of collecting taxes it must be remembered that when we devote any time at all to keeping abreast of whether or not a corporation once given exempt status continues to be entitled to that status is from our point of view a sterile operation, pretty largely. In other words, by the very nature of the law itself, as you will see from the presentation which Mr. Sugarman will make, we find ourselves in the position in our control of the returns of these corporations where the time that we spend on it is not fully productive and cannot possibly be, it cannot be productive except to a very small

degree under the most optimistic outlook. So as to these corporations or these organizations, we are in the position where contrary to our general experience, where when we carry on enforcement activities, there is a very substantial return on the effort expended, many times, as a matter of fact, the cost of it here, whatever we do, is a matter of spending money for which there is very little return.

We, like all Government organizations, are not surfeited with funds, and we have to divide our funds up in a way that we can make the best use of them. I want you to know, however, that notwithstanding this particular problem as to these particular types of organizations, that we are not slighting this aspect of our operations. We are giving just as much attention and will continue to give it as much attention as its priority in terms of importance demands.

Those are the general observations I would like to make, plus this one. I, of course, could not help but listen with a great deal of interest to what Mrs. Pfost said about the problem of the committee. Obviously, and without undertaking, Mr. Chairman, to inject myself into the policy of the committee, any statement of the kind that we have here this morning naturally would lay a groundwork of the understanding of the problem which we are very happy indeed to provide. I should like to suggest, therefore, if it is in order, that Mr. Sugarman be permitted to read his statement in its entirety, though it is a bit lengthy. I think it would be extremely useful to the members of the committee to see exactly what the situation is from the standpoint of the revenue laws, and what the problems involved are.

Thank you very much.

The CHAIRMAN. Does counsel have any questions?

Mr. WORMSER. I presume you will stay, Mr. Andrews, through Mr. Sugarman's recitation. There may be some questions that I would like to direct to you, instead of Mr. Sugarman, after he is through.

Commissioner ANDREWS. I came with that purpose. We will stay just as long as the committee feels it needs us.

Mr. WORMSER. I suggest Mr. Sugarman go on with his statement.

Mr. HAYS. There are two brief questions in order to clarify in my own mind something the Commissioner said.

One, Mr. Commissioner, did I understand you to say that under the new policy the tax exemption determinations would be under the control of the district directors insofar as they have precedent to guide them?

Commissioner ANDREWS. That is right. In other words, the district directors will have the right to grant exempt status in those situations where it is perfectly obvious from the laws, rules and regulations, and precedents, that there is no question about the organization being entitled to exempt status, the idea, of course, being to avoid loading the headquarters up with just purely routine decisions.

Mr. HAYS. I understand that. But there will be a central control over that, and they will operate very closely in conformity with precedent? In other words, you won't have every director going on his own to grant tax exemption if he thinks so? He has to follow

pretty closely the policies laid down by the Bureau as I understand; is that correct?

Commissioner ANDREWS. That, Mr. Hays, is true as to all of our operations. The field has not been turned loose on its own. One of the fundamental aspects of our form of organization, with the planning and control headquarters in Washington, and the decentralization of operations to the field, is to enable us to better review the decisions of the operating officials and be certain that proper principles and policies are being followed. That would be true in this case.

Mr. HAYS. Thank you. I have just one other question.

I understood, I think, you to say that once the tax-exempt status is granted, that you continue to keep a constant surveillance on that operation, that you don't keep checking them constantly to see whether they are violating their exempt privileges, because, I believe you said, it was a rather sterile operation. But I do assume, if you have any complaint at all, that you give it a recheck; is that correct?

Commissioner ANDREWS. First of all, let me correct the impression I seem to have given you. I don't mean that we don't keep check on them. It is a part of our duty to compare from time to time what is actually taking place with what these organizations said in their charters and other documents they intended to do and upon which their exemption was granted. We will and are carrying out a review of their operations to the extent that we can, and we expect to be able to step that up somewhat considerably from here on out.

Mr. HAYS. Thank you. That does clear it, because I had the other impression.

The CHAIRMAN. In your statement, Mr. Commissioner, you referred to the fact that there were in excess of 100,000 tax-exempt activities of all types. It was my information that there were some 300,000 tax-exempt organizations of all types. I am wondering if that figure is high?

Commissioner ANDREWS. Actually we have not made any detailed analysis of it, but I inquired about that before we came over here, and our present estimate is in the neighborhood of 120,000 of all kinds. That would be churches and colleges and universities and chambers of commerce, and community funds, and that sort of thing.

Mr. Sugarman corrects me to say that would not include all the churches.

Mr. KOCH. Will you venture a guess as to how many are operating under 101, subdivision (6), that being the category we seem to be particularly interested in?

Commissioner ANDREWS. I could not answer that as of today because we have not yet completed our study of that. But in 1946, I believe there were some 14,000 in that category. Of course, it has increased some since then.

Mr. WORMSER. Isn't it true, Mr. Andrews, that the category is so all-inclusive that it makes it rather difficult to extract statistical information about foundations? It includes colleges and various other institutions which are not from the public standpoint foundations.

Commissioner ANDREWS. Yes, that is true. This is one type of activity, frankly, which almost defies accurate statistical analysis. I think the figures that you have already before you, which I understand were put in some time ago, may be relied upon as being at least substantially correct.

The CHAIRMAN. We thank you very kindly, then, if you will be available. You may be seated wherever you think it is most comfortable, or we would be glad to have you sit there with Mr. Sugarman.

Commissioner ANDREWS. If it is agreeable to the chairman, I will stay where I am.

The CHAIRMAN. Very good. The chairman wants to make this one observation, before Mr. Sugarman begins. The difficulty of gathering the statistical data to which the Commissioner referred was one of the reasons that the chairman had in mind, as constituting a basis for this inquiry, the uncertainty of it all, and in view of the importance it was my idea that we ought to get into a postion of being able to draw a more accurate picture of it all.

You may proceed.

Commissioner ANDREWS. Mr. Chairman, if I may, I would like to add one thing with respect to what you said. To the extent that we are able to do so, we are ready, willing and anxious to help the committee clarify some of the mystery of this thing. We will do what we can in that direction.

The CHAIRMAN. Thank you.

Do you have any preliminary statement to make in connection with this statement?

Mr. WORMSER. No. I have a number of questions which I think will bring out additional material after Mr. Sugarman has read his statement.

The CHAIRMAN. If it is agreeable to the committee, the committee will permit Mr. Sugarman to complete his statement and then subject himself to inquiry. You may complete your statement uninterrupted.

Mr. SUGARMAN. Thank you, Mr. Chairman. I apprecite your courtesy in letting me read the statement without interruption.

I am happy to have the opportunity to appear before your committee to make this statement as to the application of the tax laws relating to exempt organizations. We in the Revenue Service have been very much interested in your study and are glad to make whatever contribution we can to your deliberations.

We have had several meetings with your counsel, Mr. Wormser, and members of the staff, to explore the background of the matter. I believe that these meetings have been helpful in relating the work of the Revenue Service in the exempt organizations field to the overall responsibilities of the Service.

I would like, therefore, to take a few moments at this time to indicate what that relationship is.

I. THE RESPONSIBILITIES OF THE REVENUE SERVICE FOR TAX COLLECTION AND ADMINISTRATION

The basic job of the Internal Revenue Service is the collection of taxes to finance the operations of Government. The proper performance of this function must not only be the principal concern of the Revenue Service but it is also a matter of vital interest to the Nation.

The taxes—and therefore our principal functions—are imposed by laws enacted by the Congress. There are more than 70 different Federal internal revenue taxes so imposed. These range all the way from taxes on adulterated butter to the surtax on personal holding companies, from taxes on wagers to taxes on wines, and from the taxes you pay on the wages of your household help to taxes on the millions of income of our larger corporations. The collection of these taxes involves the processing of nearly 95 million tax returns. It includes the examination of these returns, the assertion of deficiencies, penalties, and interest, the allowance of refunds, the collection of delinquencies and the conduct of litigation wherever necessary. Back of this, however, is our tremendous job of maintaining voluntary compliance by providing tax forms, instructions and other types of taxpayer assistance.

In seeing that the taxes levied by Congress are paid, the Revenue Service does not seek to act as a regulatory agency. We know full well the importance of taxes in the conduct of business and in other activities; but we do not attempt to tell anyone how to run his business or what financial or personal decisions he should make. Our job is to determine the tax consequences of decisions and actions of others and in so doing to apply the tax laws fairly in accordance with the terms of the statute.

Each of the many tax laws we administer has provisions imposing tax as well as provisions exempting various persons, organizations and transactions from tax. These exemptions are not uniform for all taxes and it is necessary in each instance to determine their application in accordance with the particular rules laid down by Congress as construed by the courts.

The function which these exemption provisions perform in the tax system is to establish the areas of nonliability for tax, and conversely to limit or define the taxable persons or objects. The determination of exemption, therefore, is an adjunct of the machinery for placing all taxable persons and objects on the tax rolls and determining their liability.

In the administration of the tax laws, the determination of exemption follows the pattern generally of procedures for other determinations. The national office of the Revenue Service prepares tax regulations, which are issued with the approval of the Secretary of the Treasury, setting forth the statutory provisions and the basic rules for their implementation. The national office also prepares the forms and instructions which are used by all taxpayers and exempt organi-

zations required to file tax returns, information returns and applications for exemption. The national office also issues rulings and other technical guide materials indicating the application of principles and official interpretations to the facts of various categories of cases. The national office also develops the nationwide policies and objectives of programs for audit and enforcement of liability under the law.

The Revenue Service has a system of regional administration under the general direction of the national office. There are nine regional commissioners each of whom carries out the policies and programs of the national office through field operations conducted by district directors.

The district directors have responsibility for the enforcement of the tax laws in their districts. They receive and process tax returns, conduct the necessary audits and examinations to determine liability, provide taxpayers with opportunities for hearings where there is disagreement, and assess and collect the taxes that are due and owing the Government.

It is incumbent upon persons and organizations claiming exemption from tax to establish their exemption. Organizations claiming exemption must file their applications with district directors' offices. District directors are authorized to determine exemption in routine cases where the application of the statute is clear under already issued regulations and rulings of the national office. Cases which present involved or questionable issues and do not fall in the routine category are referred to the national office for the issuance of a ruling as to whether exemption is proper under the law.

Certain exempt organizations are required to file annual information returns. These are checked against the list of such organizations in the district director's office. The district directors have the responsibility for examining these returns and determining whether the organization is entitled to continued exemption under the law. If upon such examination and review, it is determined that the organization is not entitled to exemption, then the organization is subject to the usual provisions and liability applicable to taxable organizations.

The Internal Revenue Service, however, does not have the final authority to deny exemption to any organization. Where the Service asserts that a tax is owing, its determination may be appealed to one of several courts. This appeal may be made by either of the following procedures: The disputed tax liability may be paid and then suit brought by the taxpayer for refund in a United States district court or in the United States Court of Claims. On the other hand, the party has the right under existing law to choose to appeal an asserted income, estate or gift tax deficiency prior to paying the tax, in which case an appeal is taken to the Tax Court of the United States. An adverse decision rendered by a district court, the Court of Claims, or the Tax Court may be appealed to a higher court in such cases, just as in other tax cases. Accordingly, judicial interpretations play an important role in determining the course of administration of the exemption provisions.

II. TAX LAW PROVISIONS FOR EXEMPTION

As previously indicated the revenue laws contain numerous provisions providing and affecting the exemption of many kinds of organizations and activities. In testimony in 1952 before the Cox committee we filed a compilation, 50 pages in length, containing the text of the various tax law provisions. This indicates the volume and scope of the statutes on this subject which we are obliged to interpret and administer. The terms of each of these provisions are, of course, of paramount importance because they state the tests which the Revenue Service has available to it by statute for determining exemption. However, I shall confine my remarks today to the provisions of law relating to exemption of organizations from the income tax since I believe that these are the provisions in which you are most interested in your current study.

In general, the statutory pattern under the income tax exemption provisions may be described as follows: (*a*) The granting of exemption to certain organizations; (*b*) the allowance of related tax benefits in the form of deductions for contributions; (*c*) limitations imposed on exemption and related tax benefits; and (*d*) filing and publicity requirements.

A. EXEMPTION PROVISIONS

The principal provisions of the present law governing exemption from tax of organizations, including foundations, are found in section 101 of the Internal Revenue Code. This section exempts from the income tax 18 types of organizations, which come within the limitations stated in the statute. These organizations may be generally described as follows:

Labor, agricultural, and horticultural organizations.[1]
Fraternal beneficiary societies.[2]
Credit unions and certain mutual reserve fund organizations.[3]
Cemetery companies.[4]
Business leagues, chambers of commerce, real estate boards, and broads of trades.[5]
Civic leagues, and local associations of employees with charitable or educational purposes.[6]
Clubs organized for recreation and pleasure.[7]
Local benevolent life insurance associations, and mutual ditch, irrigation, or telephone companies.[8]
Mutual nonlife insurance companies with gross income $75,000 or under.[9]
Farmers' cooperatives (which are subject to tax, however, on income not allocated to patrons).[10]
Crop financing organizations for farmers' cooperatives.[11]

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[1] See sec. 101 (1).
[2] See sec. 101 (3).
[3] See sec. 101 (4).
[4] See sec. 101 (5).
[5] See sec. 101 (7).
[6] See sec. 101 (8).
[7] See sec. 101 (9).
[8] See sec. 101 (10).
[9] See sec. 101 (11).
[10] See sec. 101 (12).
[11] See sec. 101 (13).

Corporations organized to hold property for any other exempt organization.[12]
Corporate instrumentalities of the United States specifically exempted by Congress.[13]
Voluntary employees' beneficiary association.[14]
Local teachers' retirement fund associations.[15]
Religious or apostolic associations.[16]
Voluntary Federal employees' beneficiary associations.[17]
Religious, charitable, scientific, literary, or educational organizations.[18]

The last category contains the general classification in which we believe this committee is most interested. This category is provided in paragraph (6) of section 101 as follows:

> Corporations, and any community chest, fund or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation.

Religious, charitable and educational organizations have been exempt from income tax in all revenue acts. The language of the present provisions of section 101 (6) has been in effect since 1934. In passing, it may be noted that exemption from income tax carries with it exemption from personal holding company and excess profits taxes. Elective treatment is also provided such organizations as to whether they and their employees will be subject to the social security taxes, and they are exempt from the Federal unemployment tax.

It will be noted that section 101 (6) applies to corporations, community chests, funds and foundations which qualify under the statute. The term "foundation" is not defined in the statute; and for tax purposes a so-called foundation may be an "association" treated as a corporation or may be a trust. The Internal Revenue Code does not seek, or make it necessary, to distinguish between so-called foundations and other organizations for purposes of the exemption statutes.

B. DEDUCTIONS FOR CONTRIBUTIONS TO SECTION 101 (6) ORGANIZATIONS

The full meaning of exemption from income tax as a religious, charitable, etc., organization under section 101 (6) is not apparent without a consideration of those sections of the Internal Revenue Code granting deductions for income, estate, and gift tax purposes for contributions to certain organizations. In general, an exempt status as an educational, charitable, etc., organization will permit contributions to the organization to be deductible for purposes of income, estate and gift taxes.

For income tax purposes, the deduction is generally limited in the case of an individual to 20 percent of his adjusted gross income and in the case of a corporation to 5 percent of its net income.

These percentage limitations do not apply to trusts if they comply with certain conditions under section 162 (a) and section 162 (g) of

[12] See sec. 101 (14).
[13] See sec. 101 (15).
[14] See sec. 101 (16).
[15] See sec. 101 (17).
[16] See sec. 101 (18).
[17] See sec. 101 (19).
[18] See sec. 101 (6).

the Internal Revenue Code. A trust which satisfies the conditions may deduct the full amount of its gross income which is paid, permanently set aside or used for purposes equivalent to those under section 101 (6). This may actually render the trust not taxable for a period of time, although it does not seek classification as an exempt organization.

Legislation enacted in 1950, however, provides rules under which both exempt organizations and trusts may lose, in whole or in part, the tax advantages heretofore available to them.

C. RESTRICTIONS ON EXEMPTION AND RELATED TAX BENEFITS

The basic limitations on the tax exemption privilege are stated in section 101 (6) itself, which requires that, to qualify for exemption under that subsection, no part of the net earnings of the organization may inure to the benefit of any private shareholder or individual, and no substantial part of its activities may be devoted to carrying on propaganda, or otherwise attempting, to influence legislation. Section 101, as amended by the Revenue Act of 1950, also provides that if an organization is operated primarily to carry on a trade or business for profit, it shall not be exempt on the grounds that its profits are payable to an exempt organization.

Supplement U of the Internal Revenue Code also provides that if an organization exempt under section 101 (6) (other than a church) carries on a trade or business which is unrelated to its exempt function, its exemption is not lost but the income from such business is subject to the income tax. Supplement U was added to the Internal Revenue Code by the Revenue Act of 1950 and was first effective for taxable years beginning in 1951.

Additional restrictions are provided in sections 3813 and 3814 of the Internal Revenue Code, which were also added by the Revenue Act of 1950 and which first became effective for taxable years beginning in 1951. Section 3813 provides that, with certain exceptions, organizations exempt under section 101 (6) shall lose their exemption if they engage in specified prohibited transactions. It should be understood that these transactions are not actually forbidden by the revenue laws but are prohibited only in the sense of being inconsistent with continued tax privileges. These provisions prohibit the creator of the organization, a substantial contributor thereto, or a member of the family of either, or a corporation controlled by either, (1) from receiving a loan of income or corpus of the organization without giving adequate security and reasonable interest, (2) from receiving compensation from the organization except a reasonable allowance for personal services actually rendered, (3) from receiving services from the organization on a preferential basis, (4) from selling a substantial amount of securities or property to the organization for more than adequate consideration, (5) from buying a substantial amount of securities or property from the organization for less than adequate consideration, and (6) from participating with the organization in any other transaction which diverts a substantial amount of income or corpus to such person. Provision is made for appropriate disallowance of deductions for contributions to an organization engaging in such transactions and for subsequent restoration of its exemption where appropriate.

Section 3814 provides that an organization may lose its exemption under section 101 (6) if, in view of its exempt purposes, its total accumulations of income are unreasonable in amount or duration, or are used to a substantial degree for other than exempt purposes, or are invested in such a manner as to jeopardize the carrying out of such purposes.

It should be noted that the prohibitions on certain transactions and against accumulations under sections 3813 and 3814 are not applicable to those organizations exempt under section 101 (6) which are religious organizations, educational organizations with a faculty, curriculum and pupils in attendance at the place of education, publicly supported organizations, and organizations to provide medical or hospital care or medical education or research.

D. FILING AND PUBLICITY REQUIREMENTS

In general, organizations exempt under section 101 (6) are not required to file income tax returns like taxable corporations. Section 54 (f) of the Internal Revenue Code does require, with certain exceptions, that section 101 (6) organizations file annual information returns. These returns call for statements of gross income, receipts, disbursements and other financial information. No return is required to be filed in the case of a religious organization, an educational organization with a curriculum and a body of students present at the place of education, and a charitable organization supported primarily by the general public.

Section 153 of the code also provides that each section 101 (6) organization required to file the annual information return shall also furnish information showing (1) its gross income, (2) its expenses, (3) its disbursements from income for exempt purposes, (4) its accumulation of income in the year, (5) its aggregate accumulations of income at the beginning of the year, (6) its disbursements of principal in current and prior years for exempt purposes, and (7) a balance sheet as of the beginning of the year. The statute requires the above-listed information to be made available by the Department for public inspection.

These requirements of section 153 of the code were added by the Revenue Act of 1950 and first became effective for the taxable years beginning in 1950.

III. INTERPRETATION OF THE TAX EXEMPTION PROVISIONS

The provisions of the tax laws on exempt organizations are subject to the same problems of interpretation and application as other provisions of the tax laws. However, there are two factors which make the problems of interpretation and application unusually difficult under the provisions of section 101 (6) which is the general section granting exemption to charitable, religious, and educational organizations. The first factor is that while the statute uses such terms as "charitable," "scientific," and "educational" as tests for exemption, these terms are not defined in the statute. They are matters on which, obviously, reasonable minds may differ; and they are not terms commonly used in financial or accounting matters so as to have acquired a ready meaning for tax purposes.

The second important factor is that the statutory terms have remained virtually unchanged even though the conditions and circumstances in this country have changed. As indicated earlier, religious, charitable, and educational organizations have been exempt from income tax in all revenue acts. These provisions came into the law at a time when, comparatively, the rates were very low. The courts indicated that while normally provisions exempting taxpayers from tax are to be strictly construed, the exemption under section 101 (6) is to be liberally construed. The Supreme Court in *Helvering* v. *Bliss* said, in 1934 (293 U. S. 144), that the provisions granting exemption of income devoted to charity are liberalizations of the law in the taxpayer's favor, were begotten from motives of public policy, and are not to be narrowly construed. This approach appears to have dominated judicial thinking in this area. Thus, the courts have held that, while charitable acts normally are considered as being done without recompense or profit, it is not necessary for exemption as charitable that an organization provide its services free of charge;[19] the term "educational" is broader than mere activities such as those of schools and colleges, it includes the encouragement of good citizenship;[20] and the term "scientific" is broader than the basic sciences and includes, for instance, improvement of motion picture photography.[21] The Revenue Service in its administration of the tax laws is, of course, bound to give effect to the principles and interpretations contained in court decisions.

Mr. Wormser, your counsel asked me particularly to discuss today political propaganda and Un-American activity as factors affecting exemption under the income tax laws. I shall be glad to discuss these matters as they are encountered in the interpretation and application of the tax laws.

A. POLITICAL PROPAGANDA

In considering the phrase "political propaganda" from a tax law standpoint, it is first necessary to distinguish between two kinds of organizations which may be regarded as political. The first includes those engaged in political activity in the popular sense of the term, that is the promotion and support of a political party and the support of candidates for office. The second includes those organized and operated primarily for the purpose of promoting principles of government, or are engaged in activities pertaining to the conduct or form of government, or seeking to effect certain systems of administration, or in legislative activities to accomplish these or other purposes.

There is no provision of law exempting political organizations of the first type from Federal income tax. In this connection, attention may be called to the provisions of the income tax regulations which prohibit deduction from gross income for contributions of—

> sums of money expended for lobbying purposes, the promotion or defeat of legislation, the exploitation of propaganda, including advertising other than trade advertising, and contributions for campaign expenses * * *.[22]

The ban against deductions for such purposes has also been applied by the Supreme Court in the Textile Mills Securities Corp. case,[23]

[19] Salem Lutheran Home Association, Tax Court memo, op., May 26, 1943.
[20] Rose D. Forbes (1927), 7 BTA 209.
[21] American Society of Cinematographers (1940), 42 BTA 675.
[22] Secs. 39.23 (o)–1 and 39.23 (q)–1 of Regulations 118.
[23] *Textile Mills Security Corp.* v. *Commissioner* ((1941) 314 U. S. 326).

also *Roberts Dairy Co.* v. *Commissioner*,[24] to deductions claimed as trade or business expenses.

Organizations of the second type referred to generally apply for exemption under section 101 (6) of the Code as educational organizations. The determination of whether they are exempt is then made under the statutory language which requires first that they be organized and operated exclusively for educational purposes.

The phrase "political propaganda" as such does not appear in the tax Code or regulations. Nor are the terms "propaganda" and "political" defined in the tax statutes or the regulations. The requirement, that as condition to exemption of an organizing "no substantial part" of its activities "is carrying on propaganda, or otherwise attempting, to influence legislation," was added to the statute by the Revenue Act of 1934. It has remained in the law without change.

The committee reports and the language of the 1934 Act establish that the words "carrying on propaganda" do not stand alone but must be read together with the words "to influence legislation." Thus the law expressly proscribes only that propaganda which is to influence legislation.

Moreover, the statutes does not deny exemption to organizations any part of whose activities is carrying on propaganda, or otherwise attempting to influence legislation, but only to organizations, a substantial part of whose activities is of this nature.

The term "exclusively" is also a troublesome one in attempting to determine whether an organization is organized and operated exclusively for educational purposes. The statute does not define "exclusively." While it would seem to be synonymous with "solely," the courts have interpreted the word much more liberally.

One writer in the tax field has described the precedents as establishing the following rule:

> * * * A primary devotion is enough; totality of devotion is not required. The general or predominate purpose is to be considered. Activities which are not * * * educational in themselves, but merely the means of accomplishing the desired purposes, do not prevent the desired purposes from being deemed "exclusive" under the statute. * * * a purpose, "incidental, contributory, subservient, or mediate" to one of the statutory purposes will not prevent an organization from being within the required category.[25]

Thus, with such terms as "educational," "exclusively," "substantial," and "propaganda" in the statute, there has been a long history of varying interpretations and difficulty in establishing readily definable lines as to exemption of educational organizations and the effect of political activity in determining exemption.

The present Treasury Department regulations contain the following pertinent provisions as to exemption of educational organizations:

> An educational organization within the meaning of the Internal Revenue Code is one designed primarily for the improvement or development of the capabilities of the individual, but, under exceptional circumstances, may include an association whose sole purpose is the instruction of the public, or an association whose primary purpose is to give lectures on subjects useful to the individual and beneficial to the community, even though an association of either class has incidental amusement features. An organization formed, or availed of, to disseminate controversial or partisan propaganda is not an educational organiza-

[24] C. C. A. 8, 1952, 195 F. (2d) 948.
[25] 1 Paul, Federal Estate and Gift Taxation (1942), sec. 12.19.

tion within the meaning of the code. However, the publication of books or the giving of lectures advocating a cause of a controversial nature shall not of itself be sufficient to deny an organization the exemption, if carrying on propaganda, or otherwise attempting, to influence legislation forms no substantial part of its activities, its principal purpose and substantially all of its activities being clearly of a nonpartisan, noncontroversial, and educational nature.[26]

Of necessity the regulations leave many questions to be resolved in individual cases upon consideration of all the facts and circumstances of each case. In addition, the court decisions must be considered. A brief summary of the trend of judicial decisions under section 101 (6) may therefore be helpful.

Resort to the courts is a natural result of the statute, since it provides much leeway for varied opinions in a field in which persons are likely to have strong personal views. Accordingly, court decisions have been numerous and have played a major role in establishing the scope of the exemption.

In the early days, the Revenue Service tried to resolve cases involving controversial subjects by distinguishing between education on the one hand and propaganda on the other.

The statute was interpreted as requiring disallowance of exemption where there was an attempt to disseminate information about controversial matters or to develop and publicize facts leading to a suggested solution of current social, economic, or other problems.

This was based upon Treasury regulations which held that "associations formed to disseminate controversial or partisan propaganda are not educational within the meaning of the statute." It was held with a few exceptions that an organization was not exclusively educational when either its purposes or activities touched upon a subject thought to be controversial.

Taxpayers very soon began to contest this position and the result was a series of circuit court decisions requiring a considerably broader interpretation of the statute.

An early case involved the American Birth Control League.[27]

This organization was organized to collect and distribute information about the political, social and economic facts of birth control and to enlist the support and cooperation of statesmen and legislators in effecting repeal and amendment of statutes dealing with its prevention. The Bord of Tax Appeals denied deduction of contributions to the League on the ground that it was not "exclusively educational" because it was formed to disseminate propaganda about a controversial matter and engaged in efforts to influence legislation.

In 1930, the court of appeals for the second circuit affirmed, resting its decision on the much more narrow ground that Congress did not intend to subsidize political activities as educational and intimating that the controversial aspect of the subject matter was not significant. The court stated:

* * * The collection and publication of the information * * * was also a legitimate scientific enterprise, like any collection of medical data. We cannot discriminate unless we doubt the good faith of the enterprise.

This raises the only question which seems to us important, which is, whether the league is also agitating for the repeal of laws preventing birth control * * * Political agitation as such is outside the statute * * *.

[26] Sec. 39.101 (6)–1 (c) of Regulations 118.
[27] *Slee* v. *Commissioner* (C. C. A. 2, 1930, 42 F. (2d) 184).

Another case [28] concerned the deductibility of contributions to the League for Industrial Democracy, organized " to promote an intelligent understanding of the movement for a new social order based on production for use and not for profit" and which to that end, carried on research, published findings and conclusions and promoted debates and discussions on social and economic problems.

The Board of Tax Appeals denied the deduction on the basis that the league dealt with a controversial subject and had an ultimate objective which stamped its activities as partisan.

In 1931, the court of appeals for the second circuit reversed, holding that, in the absence of a definition by Congress, the term "education" was to be given its plain, ordinary meaning of "imparting or acquiring knowledge" and that although the league claimed to have a definite social doctrine, it "had no legislative program hovering over its activities" and was exclusively educational within the usual meaning of the word. The decision followed the Birth Control League case by indicating also that a preconceived objective is not fatal to 101 (6) exemption.

Still a third case [29] involved the deductibility for estate tax purposes of two bequests, (1) to an organization to teach, expound, and propagate the ideas of Henry George and (2) to another organization to advocate Mr. George's ideas, to advocate abolition of taxes on industry and its products in favor of a single tax on land, and to promote social intercourse among single-tax people.

The Board of Tax Appeals sustained the Commissioner in toto, holding that a legislative program was outside the intendment of the statute and that each organization had a legislative program.

In a 1932 decision the court of appeals for the second circuit reversed as to the first bequest, holding that the recipient organization was untainted by any legislative program even though the bequest was made as one method of furthering the testator's desire that the principles be enacted into law. The court affirmed disallowance of the second bequest on the implied premise that it is not exclusively educational to disseminate conclusions without facts or to publicize a partisan viewpoint without explaining the reasons.

This decision is also consistent with the Birth Control League case in indicating that education can sometimes go hand in hand with a preconceived objective.

Also, the court seemed to acknowledge a difference between a fair and full statement of facts concerning one side of a disputed question and presenting preconceived opinions unsubstantiated by any basic factual data.

Another precedent setting case involved an income-tax deduction for contributions to the World League Against Alcoholism.[30] This organization had as its purpose "to attain, by the means of education and legislation, the total suppression throughout the world of alcoholism * * *."

The Board of Tax Appeals found that despite its stated purpose, the league itself had no legislative program and indulged in no political activities, but denied the deduction on the ground that the organ-

[28] *Weyl* v. *Commissioner* (C. C. A. 2, 1931, 48 F. (2d) 811).
[29] *Leubscher* v. *Commissioner* (C. C. A. 2, 1932, 54 F. (2d) 998).
[30] *Cochran* v. *Commissioner* (C. C. A. 4, 1935, 78 F. (2d) 176).

ization disseminated information about controversial topics which some of its affiliates used in furtherance of legislative purposes.

In a 1935 decision the court of appeals for the third circuit reversed, saying that the league's own purpose to eliminate alcoholism was not controversial, and that, while it gathered and made available facts about prohibition and other controversial issues, it did so impartially and that "the true test is not what the member organizations did with the information supplied by the league, but in what spirit the information is gathered and supplied."

The Board of Tax Appeals has followed these views of the circuit courts. In a case involving the League of Nations Association,[31] the Board of Tax Appeals stated:

> Indeed in the light of the broad meaning of the word "educate," some of the activities of the association were educational, notwithstanding the highly controversial character of the subject.
>
> Other activities were beyond the realm of education, such as the writing of letters to legislators * * *, urging our adherence to the World Court, presenting issues before national political conventions, urging members to select candidates for Congress * * *.

The 1934 amendment to the law by which were added the words "and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation," indicated an awareness by the Congress of the tenor of the court decisions already discussed, and by indirection, a reluctance to hold the line on the basis of the narrow interpretation by the Service of the 101 (6) educational exemption.

Congress saw fit only to circumscribe the exemption with a restriction against substantial activities to influence legislation. The committee reports show that as first proposed, the 1934 amendment to the statutes read "and no substantial part of the activities of which is participation in partisan politics or in carrying on propaganda, or otherwise attempting, to influence legislation."[32] The words "participation in partisan politics" were stricken from the bill, as enacted. All this reasonably leads to the conclusion that the Congress at that time was reluctant to require a narrow application of section 101 (6) as to "educational" organizations as the Service had at first attempted.

In 1940, the court of appeals for the first circuit held that contributions to the Birth Control League of Massachusetts, affiliated with the American Birth Control League, were deductible after the organization had abandoned any legislative activities.[33]

On the basis of these judicial precedents, we must conclude that it is now reasonably established under the law that an organization may have as its ultimate objective the creation of a public sentiment favorable to one side of a controversial issue and still secure exempt status under section 101 (6), provided it does not, to any "substantial" degree, attempt to influence legislation, and provided further that its methods are of an educational nature.

The cases are legion where a fine line must be drawn in determining whether, on the basis of all facts presented, the organization may qualify for a section 101 (6) exemption, or if not, whether it may

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[31] James J. Forstall (1933), 29 B. T. A. 428.
[32] S. Rept. No. 558, 73d Cong., 2d sess., p. 26; C. B. 1939–1 (pt. 2) 586, 606.
[33] *Faulkner* v. *Commissioner* (C. C. A. 1, 1940, 112 F. (2d) 987).

qualify under any other subsection of 101 (such as section 101 (8) which provides for exemption of civic organizations not organized for profit but operated solely for the promotion of social welfare), or whether it does not qualify for any exemption and must, therefore, file income tax returns.

The task is an exceedingly difficult one for the Revenue Service. It is one which we approach with full knowledge of its importance and the necessity for complete objectivity.

B. UN-AMERICAN ACTIVITY

The term "un-American activity" poses some of the same problems in relating it to tax law criteria for exemption as does the term "political propaganda."

The term "un-American" does not appear as such, in the tax laws or regulations. I have no hesitancy in stating, however, that it is the firm policy of the Revenue Service to deny exemption to any organization which evidence demonstrates is subversive.

The determination of the Revenue Service denying exemption must, however, be based on lack of qualification under the terms of the tax law, namely failure to qualify as an organization organized and operated exclusively for educational purposes. It is our belief that an organization which is truly subversive cannot be considered as exclusively educational.

The Revenue Service is advised by the Department of Justice of organizations shown on the Attorney General's subversive list resulting from a determination by the Attorney General under the Federal employee's security program.[34]

There are no organizations on that list which are also on our list of exempt organizations.

In addition, statutory restriction on exemption is imposed by section 11 (b) of the Internal Security Act of 1950. Under this act all Communist-action and Communist-front organizations are required to register with the Attorney General. Section 11 (b) provides that:

> No organization shall be entitled to exemption from Federal income tax, under section 101 of the Internal Revenue Code, for any taxable year if at any time during such taxable year (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board requiring such organization to register under section 7.

Thus far no organizations have been reported to us by the Department of Justice as registered under the Internal Security Act. I understand the Department of Justice is engaged in seeking to require registration of certain organizations. There has been no application of this act to any organization currently exempt under the tax laws.

Accordingly, under the laws administered by the Internal Revenue Service, determinations are not made as to whether an organization is un-American. It is sufficient for denial of exemption if it is determined that the organization does not meet the present statutory tests.

In conclusion, I would like to express appreciation for this opportunity to acquaint you with the work and procedure of the Revenue Service in this important field.

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[34] Pursuant to Executive Order No. 10450, dated April 27, 1953.

I appreciate your attention to our problems under the tax laws and I hope that my remarks have in turn given you some helpful information.

The CHAIRMAN. Mr. Wormser, do you have some questions you wish to propound?

Mr. WORMSER. Yes. I would like to bring out first, if my understanding of the law is correct, that the only penalty which is imposed for the two major violations, engaging in subversive activity or political activity is a loss of the income tax exemption, and the corresponding right to deduct against income tax for donations to the foundation. The principal of the fund remains and could still be used for subversive or political purposes.

Mr. SUGARMAN. I think I should add this. Of course, the imposition of the tax with interest where it is determined that the organization while claiming exemption has not been exempt, particularly the interest at 6 percent, could become fairly severe, and it is possible that a negligence, a fraud or even criminal penalties could be imposed. I might say that such cases are rare, however.

Mr. WORMSER. If you had the circumstance where the foundation had started and operated for a number of years fully complying with the law, and had gotten into the hands of persons who used it for unhappy purposes, the statute of limitations would bar you.

Mr. SUGARMAN. Yes, that would be the case.

Mr. WORMSER. As counsel of the committee, I am very sympathetic to your difficult problem of drawing lines. There are several areas in which the committee might consider making suggestions to Mr. Goodwin's Committee on Ways and Means to help you out of the difficulty.

Take for example the political activity, where you have a quantitative test, how do you apply that quantitative test? Is it by some rule of percentage of the fund paid out to political purposes, or dollar amount in relation to something else, or do you look at the substance of what they have done?

Mr. SUGARMAN. Mr. Wormser, we have explored many times the possibility of working out some sort of quantitative test. At least thus far we have come to the conclusion we cannot do that as a practical matter, because the nature of the organizations and the type of activities vary so much. As a result, we take a substantive approach, and attempt to look at the totality of operations of the organization and judge the importance of the type of activities in question in the total effect. As I indicated before in a quotation, in regard to the term "exclusively" you will see that the interpretation has been such that it is the primary motivation which is really involved.

Mr. WORMSER. It is an aspect of law on which you might conceivably get some help from the Ways and Means Committee.

Mr. SUGARMAN. Is it an aspect of law on which we have problems, and they are matters on which the most careful judgment must be exercised.

Mr. WORMSER. In connection with the subversive activities, do you apply yourself only to the direct activities of the foundation itself, or do you also check what grants it may have made to subversives or to subversive organizations? Do you take that into account?

Mr. SUGARMAN. Yes, sir. The determination of exemption of course is not merely on the basis of the activities of the organization

itself, but how its funds are used. In that connection when an organization makes contributions or distributions to other organizations, those other organizations in turn must be exempt. Whenever we find an organization which to any noticeable degree is making contributions to nonexempt organizations, we give them a warning letter, and then follow up on that. Usually they abide by the warning letter in order to retain their exemption.

Mr. WORMSER. In that connection, and also in relation to political activity, I would like to go on a bit with Mr. Hays' question. I would like to know in a little detail what steps you actually take in checking these activities. Do you, for example, require them to send you all their publications? The mere reports don't of course disclose the substance of what they have done. How do you go about this very difficult job of being a watchdog?

Mr. SUGARMAN. I will be glad to answer that question although I think I will have to break my answer into two parts. The first part relates primarily to our method prior to our authorizing our field offices to take a greater part in this work. That is, prior to October of last year, all of the applications and all of the returns of these organizations came into Washington. That created a tremendous problem for us because the receipt of over 100,000 information returns from these organizations every year of course meant a tremendous task if we were to attempt to screen and examine every one of them. We nevertheless had a program of screening them, and examining as many as we were able to and referring to our field offices for direct field examination of those in which we found any questionable activities or financial items. So that our basic approach has been that through review of their returns, which includes the data as to receipts and disbursements, we would look for signs which would indicate the need for further investigation.

I might add that of course a considerable source of investigation and further study of these organizations is through our careful watching of published reports, including newspaper reports of activities and of course through complaints which we receive from time to time from taxpayers, from various other organizations, and I might say also through Members of Congress.

Mr. WORMSER. Ordinarily, however, you would not see their publications, would you?

Mr. SUGARMAN. No, we do not see all of their publications. I should add that upon the receipt of complaints or publicity which come to our attention, we will ask these organizations to supply additional information to us, and we do follow up on that basis.

I might add, as I say, the second part, that since October of last year we have authorized our field offices to examine these returns and earlier this year, as a matter of fact, just last month, we authorized our directors' offices to take the first step in determining the exempt status of these organizations in passing upon the exemption applications which are now required to be filed with them.

Our purpose in that was to bring to our local offices the responsibility for work which we felt that they, being right on the scene and in a position to know the facts, probably were in a better position than we were in the first instance to assemble the necessary information, and to keep on top of these problems.

Accordingly, they now have the responsibility in the first instance for examining these returns and passing on the exemption applications. We feel that being in their own communities they can know what the local situation is, and be able to keep up much better than we can in Washington the changing scene in terms of the type of activities of these organizations through what they know goes on in the community, the work of important men who may be forming foundations, the newspaper reports, and other things which are available to them locally, and they in the first instance can act as our gatherer of facts and make determinations which are clearly under our established rules and regulations, and then referring to us at the national office those policy questions or controversial areas as to which further guidance is needed.

I might say that our decentralization to our directors' offices of these functions is comparatively new and for that reason we cannot point to any figures which would indicate increased activity, but we believe this will actually accomplish that in a stepped-up program of looking further at these applications and returns, and the activities of these organizations generally.

Mr. WORMSER. Actually, though, you are not adequately staffed and probably could not be to do a complete job of auditing the substance of the performance of these foundations. You rely chiefly on miscellaneous outside information and have to, I suppose.

Mr. SUGARMAN. Mr. Wormser, as the Commissioner has indicated, we must of course balance the matter of the administration of the exempt organizations with the administration of all the other provisions of the Code, and also keeping in mind that our principal job is tax collection. Our experience has indicated that by and large there are comparatively few of the exempt organizations that really stray from the nature of their original exemption. I am not saying that by way of indicating that doesn't mean we don't have to check on them, but I am saying in terms of the revenue consequences our results in this area are comparatively less productive than others. Accordingly, considering the balance of our total activities, and the budget available to us, we do devote as much as we are able to this area. What we are trying to do is by streamlining some of our procedures and by putting more of our activities at the local level to get a greater use of the money that is available so that we can accomplish a greater coverage with the funds now available.

Mr. WORMSER. Let me turn to something else, Mr. Sugarman. In connection with the political activity, what significance do you give to lobbying as such?

Mr. SUGARMAN. Of course, the term "lobbying" is not in our statute, but it is in the regulations in regard to that provision I quoted earlier on the Supreme Court decision in the Textile Mills case that deductions are not permitted for contributions for lobbying purposes. Actually, our statutory base is the language of propaganda or otherwise attempting to influence legislation. The qualification there, of course, is that the statute denies exemption only if a substantial part of the activity of the organization is lobbying. So that the type of general education—public education—which an organization may propagate, which may end up in people expressing their views to the Congress generally, would not come within the cate-

gory of lobbying, unless it is directed particularly to that end or takes the form particularly of letters or telegrams and so forth, from the organization to the Members of the Congress.

Mr. WORMSER. I understand there are some exempt foundations which are actually registered lobbyists.

Mr. SUGARMAN. There may be some that are, Mr. Wormser, but our only control on that is whether or not that is a substantial part of their activities. I would gather that some of them probably registered not because they considered themselves lobbyists in perhaps all senses of the term but out of excess of caution, because they do have occasion to appear before the congressional committees, and others.

Mr. WORMSER. It is a factor, but not conclusive in your determination?

Mr. SUGARMAN. As I indicated before, this term, like others, must be related to the particular activities of the organization, and looking at the totality of its operations to see whether this forms a substantial part of its activities.

Mr. WORMSER. Part of form 990 (a) which the foundations are required to file is confidential, and can be seen only with an Executive order.

Mr. SUGARMAN. That is correct.

Mr. WORMSER. Do you know the history or the origin of that requirement? It seems to me that everything a foundation does as a public trust fund virtually should be susceptible to public scrutiny. I don't understand why that was inserted in the law.

Mr. SUGARMAN. Mr. Wormser, the background of that matter is that this whole subject of public inspection or publicity of information in tax returns has been one which Congress has considered many times, and it goes back to the early history of our tax laws. I can recall from research I have made on the subject that back before the 1920's there was controversy about it and for a time there was legislation to make all tax returns public, and for a time there was a little pink slip which people were to file which was made public, even though the whole return was not. The present law we are operating, section 55 of the Internal Revenue Code, applies to all types of return forms which are filed under the income, estate, and gift taxes, and it is quite clear by stating that such returns shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary of the Treasury and approved by the President.

I might add that there are also provisions which authorize inspection of returns or the obtaining of copies of them by, of course, the taxpayer himself, or by stockholders of corporations, or by the Governor of the State for tax purposes, and by the Ways and Means Committee of the House, the Finance Committee of the Senate, and the Joint Committee on Internal Revenue Taxation, and by select committees of Congress when so specially authorized by a resolution of Congress. However, except for these exceptions, the statute applies across the board to all types of returns in requiring that they be held confidential except upon order of the President and under regulations which are approved by him.

The subject of exempt organizations for the reason you indicate, that is, it is a matter of public support and tax exemption, may be in somewhat of a different category than other types of organizations, and it is for that reason that I think Congress in 1950 did provide

legislation which not only provided for certain types of information to be filed in a return, but also that this information be made public. However, Congress did not seek to eliminate section 55, but merely added these specific provisions which I read to you, which indicated that certain types of information should be made public, and this information is on public inspection in our offices of directors of internal revenue and anyone here of course can by going to such an office obtain that information and look at the return. However, that is a duplicate copy of the return which is filed by the organization. It does not contain all the information which we ask for in the actual return form, and the actual return form then itself is subject to the statutory provisions on secrecy.

I should add that the Revenue Service has been working on this whole subject of publicity. We have in process a study on that matter which, if approved—and I might say that the approval is beyond the Internal Revenue Service, because it requires authority which we do not at the present time have—would provide for a greater publicity or public inspection on the part of the papers, the applications which are filed by these organizations.

Mr. WORMSER. There is, of course, a sharp distinction between 990 (a) and income-tax returns. It is not strictly speaking an income-tax return. It is an information return, is it not?

Mr. SUGARMAN. That is correct.

Mr. WORMSER. And the information which is excluded from public scrutiny includes grants made by the foundation, does it not?

Mr. SUGARMAN. It includes the contributions which are made to the foundation. In other words, the form 990 (a), page 1, provides for reporting of receipts not reported elsewhere on this form, the principle of which is contributions, gifts and grants received. The third page, the duplicate copy, which is the copy which is left on public inspection in the directors' offices, contains much of the same information except that which I referred to, that is, the additional data not otherwise called for, and particularly who made contributions to the organization.

I might say that there are additional schedules and information of course that we will ask for in examining the applications which would not be in the duplicate copy, which is on public inspection.

Mr. WORMSER. Now, Mr. Sugarman, would it not be useful to the bureau, and also possible to serve a public purpose, if section 101 (6) were broken down, separating the foundations, as we ordinarily use the term, from the miscellaneous organizations that are now included in it, because it is conceivable that some things should restrict foundations in the ordinary sense which would not restrict a college, for example. Isn't that possibly a useful suggestion to make to the Ways and Means Committee?

Mr. SUGARMAN. I would have to say that anything that would help to clarify the statute would be to the interest of the sound administration of the tax laws which we would welcome. I would have to say that the form and the manner in which such legislation might be considered is something that is really outside of the province of the Revenue Service because there you get into basic tax policies and related policies, which are a matter for the Secretary of the Treasury, as far as our department is concerned.

Mr. WORMSER. One more question, Mr. Sugarman. There is nothing in the statute which protects the public against the use by foundations or the use of foundations to control business enterprises. You referred to restrictions that the funds of the foundation cannot be invested in such a manner as to jeopardize the carrying out of the foundation's purposes. That I can see might cover some instances in which it might be alleged that because assets were frozen, they could not be properly applied to the foundation purposes. Beyond that, there is nothing in the law which prevents funds being invested as the foundation wishes.

The case of the Duke Foundation has been mentioned. I know of no criticism of the Duke Foundation except as an illustration of something which might be worthy of attention. As I understand it, the trustees of that foundation cannot sell Duke power stock without unanimous consent of the board, which makes it virtually impossible. You have a frozen asset, and one which permits control or partial control of the corporation. There is nothing in the law which in any way prevents that.

Mr. SUGARMAN. Mr. Wormser, I think I would have to say this, that the very nature of a fund or foundation is that it has funds for investment and these may be invested in a business or other type of security.

Mr. WORMSER. Excuse me. Let me put a more extreme case than that. Suppose we had a foundation which had unremunerative assets, which produced no income, which had perhaps a principal value, but produced no income; would you consider that jeopardized the carrying out of the purposes?

Mr. SUGARMAN. If it actually did not produce income, we would be curious as to whether it is making any distributions, and if it is making distributions, what the purposes of those distributions were. Our concern, of course, must be with the activities of the fund or foundation in determining whether or not it is operating for the charitable, educational, or whatever purposes may be that they qualify under the statute. So that the mere fact of not having income would be comparatively unimportant if all the other qualifications under the statute were met which related to how the fund or foundation was being used.

I think I should hasten there to say this, that Congress did provide in 1950 for a tax on unrelated business income. So that the business activities of the 101 (6) organization would be subject to tax, although the tax exemption as to its other activities would not be destroyed. Congress did also provide in 1950 these provisions on prohibited transactions and on undue accumulations. I think I would have to say this, that the problem in that regard is one of drawing a line between the general activities of organizations which are attempting to maintain their funds for exempt purposes, and those which may have other purposes in mind. I think the law has been on the books too few years for us to say whether or not it has accomplished all the purposes that Congress may have intended at that time. I think a little more experience will perhaps be necessary, perhaps a study of further cases, before we would be in a position to say whether there are other problems of that nature.

Mr. WORMSER. Am I correct in my information that Canada has a law prohibiting the ownership of more than 10 percent of any one

enterprise by a foundation? I believe Mr. Hays will be interested in the fact that if it is a fact that they also prohibit more than 10 percent of the foundation funds being used abroad outside of Canada.

Mr. SUGARMAN. I am not personally acquainted with that. I would be very glad to check that item and supply whatever information we can on it.

I might say we have a somewhat related provision in our law, however, which would prohibit the type of investment by a foundation on behalf of a corporation or individual who was the particular contributor which would tend to jeopardize the foundation's funds. You will recall I referred to that provision in section 3813 previously.

Mr. WORMSER. There is no restriction, incidentally, on the percentage or amount of funds spent abroad?

Mr. SUGARMAN. No. The only provision is that it must be a domestic corporation, but it may use its funds abroad.

Mr. KOCH. Just what is there in the information return that would put you on notice that this particular foundation might be engaged in prohibited political propaganda?

Mr. SUGARMAN. I think I would have to say that actually there is very little on our information return.

Mr. KOCH. In other words, naturally you don't ask them, what books have you published, or what pamphlets have you published during the last year. You certainly would not get that. Nor would there be an item in there for a lot of expenditures to a certain printing concern or to a book publisher, probably not even that.

Mr. SUGARMAN. I think I would want to add this, however, that we do ask for information as to the disbursements and the purposes. That information generally comes in attached schedules. There is not room on this form obviously for that type of information. What we attempt to do there is to see whether or not the information is relatively enough complete so that it gives us a lead as to what the organization is doing.

Mr. KOCH. Might it help if your questionnaire, return, or what ever it is, had a question, "State any books or pamphlets that you may have issued during the last year, and the amount you paid for that," because that would be a red flag. Otherwise I think you would never hear of some of these propaganda machines unless somebody from the outside registered a complaint.

Mr. SUGARMAN. I think you would appreciate that that is a very difficult problem, because it is quite obvious, for example, that we would not want one of our great universities to send us each year all the books and so forth that they publish.

Mr. KOCH. No.

Mr. SUGARMAN. The matter is one of selectivity. As I indicated before, as to a great many, by far the largest number of organizations, there is not a particular problem. There are always those that are on the fringe, of course. They are comparatively few in the group. In designing our tax-return forms, and our information-return forms, we try to develop the type of information which will permit us to screen in the first instance those which should be classified for a more intensive audit. There are a number of ways of getting at that problem of the types of organizations that should be investigated in greater detail than the matter of the information they come in through the return.

One of the aspects that we have under consideration is that when these organizations file their applications initially, that is the best time for us to determine the nature of the organization, because usually those that are on the fringe are those of the type that you know at the outset whether or not they are going to be an established community chest or school or college or whether it is going to be one of those that you might from time to time make a more careful examination of. So for that reason our best key is through the application itself with the idea of following up on those applications from time to time.

I might say in that regard there is also the matter of publicly obtaining what leads and information we can through such information as comes to us from the public and press and other sources.

Mr. KOCH. The statute, of course, does not define what political propaganda is, and you have no regulation which would help the foundation in guiding its activities, have you?

Mr. SUGARMAN. We do not have a detailed regulation other than that I read to you. We do, however, publish rulings from time to time in the Internal Revenue Bulletin on matters which attempt to set the precedents and provide the basic guidelines which supplement the regulations, and indicate the interpretations and principles which we are following in deciding individual cases.

Mr. KOCH. On this business that a substantial part must be used, if a certain person whom I won't mention, but who is sitting in this chair, paid $10,000 for propaganda, I assure you that would be very substantial. But take a $100 million foundation, if they spent $10,000 on propaganda, would you say because of the relative importance or the relative degree that that is substantial in my case or in this man's case and not substantial where the company has $100 million of assets, and maybe $30 million of income, or $3 million?

Mr. SUGARMAN. As I indicated before, I don't think we can decide that question by purely dollar amounts. For example, if that $10,000 were spent for telegrams to members of Congress, that might be substantial.

Mr. KOCH. We are also in the twilight zone when we talk about this term "substantial," aren't we?

Mr. SUGARMAN. Yes, sir.

Mr. WORMSER. Mr. Chairman, I wonder if I might ask Mr. Goodwin whether he would mind as a member of the Ways and Means Committee if I ask Mr. Andrews and Mr. Sugarman if they have any constructive suggestions to offer as to possible changes in the law?

Mr. GOODWIN. I see no objection to that, Mr. Chairman. Both of these gentlemen, of course, understand, as we do—both the Commissioner and Assistant Commissioner Sugarman—that we probably have no jurisdiction over a topic of that sort further than to send over a hint by way of a recommendation to the Ways and Means Committee. I see no objection to their being interrogated. In fact, I would like to see them interrogated on that point.

Mr. WORMSER. I would like to have this opportunity if you have any suggestions for constructive changes in the law to offer them.

Commissioner Andrews. I will undertake to answer that question, Mr. Wormser. It has to be almost completely negative for the reason that while it is true that we have been studying this question for some

months now, we have not yet developed any conclusive ideas that would lead us to suggestions for changes in the law.

Moreover, of course, if we did develop ideas of that kind, we would naturally transmit them to the Secretary for such consideration as he might wish to give them and for forwarding to the Committee on Ways and Means if it were his determination to do so. That is necessitated by the fact that in the division of responsibility in the Treasury Department, the responsibility for changes in legislation is vested in the Under Secretary of the Treasury, and, therefore, any changes or suggestions we would have would go through him, rather than direct from us.

We do not at the present moment have any concrete suggestions to make, and I am not just sure when we will reach that point.

Mr. WORMSER. Then I have only one further suggestion, Mr. Chairman. That is that Mr. Andrews and Mr. Sugarman be invited later to submit any additional statement to the committee which they might think is pertinent to these discussions, if they care to.

The CHAIRMAN. I am sure the committee will be glad to receive any additional information any time they might desire to transmit it.

The Chair has 1 or 2 questions, but anticipating that the other members of the committee might propound those questions, he will recognize Mr. Goodwin.

Mr. GOODWIN. Mr. Chairman——

Mr. HAYS. Mr. Goodwin, would you yield at that point?

Mr. GOODWIN. Certainly.

Mr. HAYS. Before you start, I wonder if we can get some agreement about recessing. The House is in session. I want to be as helpful as I can. I don't want to make any points of order. I would like to get an agreement as to some definite time. I have some commitments during the lunch hour, and I am sure the other members do, and I am sure we don't want to keep Mr. Andrews and Mr. Sugarman waiting around here now or have them come back in an hour when we can't get back, and we can settle that now.

Mr. GOODWIN. I will be very brief. I have just 1 or 2 questions.

The CHAIRMAN. If we have time to finish with him, we could recess for the luncheon period. I am sure it would be convenient to them to do so. I have only 1 or 2 questions in any event which will require a very brief period. I think you and Mrs. Pfost are in the best position to determine how long it will be required to complete with them.

Mr. HAYS. I would say the questions I have would perhaps take as long as Mr. Wormser did, which might run 40 minutes or so.

Mr. GOODWIN. I will be about 3 minutes.

The CHAIRMAN. Why don't we in any event conclude with Mr. Goodwin's questions. Then if you think it will take something like three-quarters of an hour, I would leave it up to you as to whether you prefer to proceed and complete with the questioning before we recess or recess and come back. They have been very generous with their time, but I am sure they will be glad to meet the convenience of the committee.

Mr. HAYS. I think I would be glad to go along with Mr. Goodwin, but I think it would be an imposition to try to complete this all before lunch.

The CHAIRMAN. What is your situation, Mr. Commissioner and Mr. Sugarman?

Commissioner ANDREWS. We can come back after lunch; whatever you ladies and gentlemen wish. It is all right with us.

The CHAIRMAN. Some other considerations have arisen, and if it is convenient for you to come back at 2:45, the committee will recess until 2:45 in this same room.

(Thereupon at 12:05 p. m., a recess was taken until 2:45 p. m., the same day.)

AFTER RECESS

The CHAIRMAN. The committee will come to order, please.

When we adjourned, I think Mr. Hays was about to propound some questions. Mr. Goodwin expects to be here any minute.

TESTIMONY OF T. COLEMAN ANDREWS, COMMISSIONER OF INTERNAL REVENUE, AND NORMAN A. SUGARMAN, ASSISTANT COMMISSIONER OF INTERNAL REVENUE—Resumed

Mr. HAYS. Mr. Sugarman, first let me say that I appreciate the fact that you have made such a concise and well-documented statement. I think it is factual and will add considerable to the understanding of this committee, about the problem which we are trying to investigate. However, I do have a few questions to clarify perhaps in my own mind as much as anything else.

I don't want you to feel that if I am questioning you closely about a certain phase of your testimony that I am doing it in an antagonistic manner. As I say, I think your testimony has been good. It has been the first that I have seen before the committee that has been right to the point, in my opinion. But there are a few things I think it would be well if we had a meeting of the minds on, and any questions I ask you are with that attitude in mind.

Mr. SUGARMAN. Thank you. Could I interrupt? I am sorry to do so. I don't tknow whether you prefer if we had a microphone. We don't seem to have one this afternoon.

Mr. HAYS. These are the ones we use.

The CHAIRMAN. Will you check, Miss Casey, and see?

Mr. HAYS. I don't think they are working.

On page 2 of your statement, sir, the last complete paragraph on the page, you state that we do not attempt to tell anyone how to run his business, or what financial or personal decisions he should make.

I assume that applies also to foundations, as well as an individual taxpayer?

Mr. SUGARMAN. Yes, sir.

Mr. HAYS. On page 8 of your statement, Mr. Sugarman, you are quoting from paragraph 6 of section 101. I believe this is paragraph 6. "Corporations or any community chest fund or foundation organized and operating exclusively for religious, charitable, scientific, literary, or educational purposes." I am interested in those words "or educational purposes." Do you try to put any interpretation on what educational purposes are?

Mr. SUGARMAN. As I indicated earlier, Mr. Hays, we must attempt to interpret these words just as we do the other words, and what is educational, of course, is a subject on which reasonable men may differ. That is the reason we have had this long history which I

described of litigation—not litigation for litigation's sake, so much, but to attempt to establsh ground rules.

As I indicated in the statement, if I can refer for a moment to page 23, I have attempted to summarize there what seems to me what the judicial precedents establish as educational in the area where the term is most difficult to define. It is pretty obvious, I think, what the term means when you talk about an established college, university, or school of some sort. But in the adult educational organizations, those that bring their activities to the public, is where the difficulty lies, and as I have indicated on page 23, in the second full paragraph beginning on that page, that we believe is what the court decisions add up to.

Mr. HAYS. In other words, you are referring now on page 23 in the paragraph which I have marked in my copy on the basis of these judicial precedents?

Mr. SUGARMAN. Yes, sir.

Mr. HAYS. That is an attempt on your part to summarize just what we were talking about back on page 8 about educational purposes?

Mr. SUGARMAN. Yes, sir, that is our summary of what we believe our present law is in the difficult area of the interpretation of the work, I would say.

Mr. HAYS. I have that marked and it seems to me that is a very good summary, and a good liberal interpretation of what must be a very difficult matter to interpret.

Mr. SUGARMAN. That is right.

Mr. HAYS. Right at that point, perhaps I should direct this question to the Commissioner.

Mr. Commissioner, the assistant counsel just before lunch started to develop, or did ask you a question which opened in my mind a rather interesting vista, in which he asked you if you got all the publications of the various foundations. I would assume by that he would take into consideration publications that were written with foundation grants or where the author had a grant or partial grant and so on.

I believe Mr. Sugarman answered by saying that you did not make any attempt to do that, is that correct

Commissioner ANDREWS. Let us put it this way. Usually we can depend upon the public if there is some provision of law that they don't like to be pretty vocal about it. They will write to us. They will write to their Congressmen and Senators, and they will sometimes write to the Treasury Department, if it is a matter of legislation that affects our area of operations.

In this particular case, I think it is safe to say that as to particular organizations, that people might object to, the basis of their complaint is almost invariably some document that the person complaining doesn't like. Consequently, in the course of your normal operations you would accumulate certain documents pertaining to a particular organization which contains statements that the people complaining do not like.

But to answer your question specifically, I would say though it is not a matter of written rule, that if we were to direct any of our field agents to review the record of one of these organizations in the light of what its charter said it was set up to do to compare about what it is actually doing, or what it was supposed to be doing, I would assume as an auditor myself that the auditor would naturally go to at least some of the documents that were published and distributed by that

organization to see how that all ties in with what they profess to be doing.

Therefore, I would say that the answer to the question is not that we do not get that type of information, but rather that it develops and comes in in the ordinary course of our administration of the law, either by complaint from a taxpayer, or in the course of the review by our people who do review the operations to see how they are really operating.

Mr. HAYS. What I was trying to get at, Mr. Commissioner, is that I was wondering if you would want to operate such a department where you had all of these publications coming in, both direct and indirect, and books and pamphlets people may have written who had some connection with the foundation, you would pretty soon be running a censorship department down there.

Commissioner ANDREWS. That aspect of it, I am sorry to say, I didn't get from your original question. I would like to answer that in two ways. In the first place, the physical volume of that sort of stuff would impose a tremendous storage problem upon us. In my opinion, by all odds the vast majority of it would be of no practical benefit to us. In the second place, of course, one of the main problems that we have to be very careful about is that we do not become censors. I know that question came up only recently in connection with a ruling that we had to make. I was a little bit afraid that one word might indicate that perhaps we were setting ourselves up as censors and we changed the word, because we don't want to take that position, and goodness knows, we don't want to be in it.

Mr. HAYS. That is what I wanted to clarify. Although I don't know you except by reputation, I had an idea that would probably be your answer. They say nobody loves a tax collector, and I don't know whether that is true or not—that is an old saw—I am sure you would not want to add to your job of collecting taxes that of being censor.

Commissioner ANDREWS. I have always wondered why people sought the job of tax collector, and I can say for myself I didn't. But it is a job that has to be done, and the most you can hope for is respect. If you attain any popularity, that is just a little dividend.

Mr. HAYS. Let me say to you, sir, that you have the respect of the Congress and the public at large as far as I am able to ascertain.

Commissioner ANDREWS. Thank you, sir.

Mr. HAYS. Before we go back to your statement, there is another little thing that occurred to me that might be interesting to develop along here which might shed a little light on this whole problem. I assume you are aware of the antitrust suit which has been filed against the American Telephone & Telegraph Co. The Government alleges that it is a monopoly. I don't expect you to be completely familiar with it. You know there is such a suit?

Mr. SUGARMAN. I have heard about it, yes, sir.

Mr. HAYS. The A. T. & T. regardless of what suit as well as any other corporation is entitled to deduct from its income tax its expenses, and of course charitable contributions, too, up to 5 percent, is that correct?

Mr. SUGARMAN. Yes, sir.

Mr. HAYS. I won't ask you whether you are a music lover or not, because that is something that has no place in the record, but I might

ask you did you ever hear this Telephone Hour on the radio every Monday night?

Mr. SUGARMAN. I don't think I have recently.

Mr. HAYS. It is a very fine musical program. Let me say I am all for it. I think it is a good program. It has about the best musical talent you can obtain, and I would assume it is pretty costly. I assume they deduct that somehow or other. Do you suppose that would be a business expense? It would not be a charitable contribution, would it? What is your guess?

Mr. SUGARMAN. The cost of advertising, whether it is by radio or television or newspaper generally comes under the heading of business expense, and is deductible under the provisions of the statute which permit the deduction of ordinary and necessary business expenses.

Mr. HAYS. The thing that occurred to me, and the reason for all this is, would a monopoly have any reason to advertise?

Commissioner ANDREWS. I asked Mr. Sugarman to let me answer that question, if you don't mind.

Mr. HAYS. I would be glad to have you answer it.

Commissioner ANDREWS. That comes back, Mr. Hays, to the first question that you asked—I believe it was the first one—about our not wishing to tell anybody how to run his business. In this particular situation, and specifically, I would say that the telephone company knows more about what to do in order to make the people happy with the telephone service that they get than we do. Radio and television are set up as means of communication which have been used extensively, and I suppose probably money wise at least, perhaps almost as extensively as the printed word. I certainly would be the last one to join issue with them over the question of whether or not that was an ordinary or necessary expense.

In the first place, I suppose I would naturally be a little prejudiced about that because I believe in private enterprise, and I think that anything that they can do to build up public good will is all to the good. As a matter of fact, I could make quite a speech about the public relations policy of the telephone company which I happen to think is pretty good. I don't mind admitting that we are trying to model ours to some extent after theirs. If we can achieve the same degree of public acceptance that they have, then I will be a popular tax collector.

Mr. HAYS. Mr. Commissioner, let me say that you and I agree thoroughly about that. I will tell you why I brought that question up. It is simply because there has been a great deal of issue made prior to your appearance in these hearings about the tax loss to the government about not collecting the taxes from these tax exempt foundations. Of course there is a loss. If we did not have any tax exempt foundations, I suppose the Government would collect more taxes. That would automatically follow. But on the other hand, we might lose a lot of things that are pretty good, such as medical research. So the same thing follows with the telephone company, and I am glad that you take the position of not telling them how to run their business. We do lose the money in taxes. On the other hand, you don't want to take the position, and certainly I feel as a Congressman I don't want to take the position, and I assume you would not want to recommend to the Congress, that we take the position of telling the telephone company that you can't do this because we are going to lose tax money.

Commissioner ANDREWS. We don't lose tax money by that.

Mr. HAYS. Maybe not. Maybe we gain it because we collect it from the advertisers.

Commissioner ANDREWS. That is just the point. There is quite a difference between money spent for advertising with a company which in turn is going to report that income for taxation, and money that is paid out in contributions to an organization that does not pay any taxes. In other words, when you make a contribution, let us say, to a community fund, that income at that point ceases to be productive in the form of taxes, except when they get ready to spend that money themselves. So that these things have a very deep and sometimes very intricate and complicated economic path.

The Government itself, however, from a revenue standpoint must look at the thing from the standpoint of how much money is siphoned out of the stream of revenue in the ordinary turnover of money and income if it wants to really find out where it is losing tax revenue. Sometimes these things that are spoken of as tax losses or as items that deprive the Government of revenue do not actually deprive the Government at all. You have to analyze them.

Mr. HAYS. That could be true of foundation expenses, too?

Commissioner ANDREWS. To a large extent foundations might spend their money, for instance, with people who have to pay income tax on it. As a matter of fact, a great many of them do.

Mr. HAYS. In other words, then, we are agreed that you can't just say because they don't directly pay any of the foundations or the A. T. and T., that it is a complete loss to the Government?

Commissioner ANDREWS. I don't think it is a complete loss unless it stops right there, which it seldom does.

Mr. HAYS. That is right. In other words, it keeps on circulating at a certain velocity.

Commissioner ANDREWS. That is right.

The CHAIRMAN. As I understand, the basis for the company's advertising, which will apply even in the case of the telephone company, is that it increases the utilization of its services, and thereby does increase its profits and increases taxes to the Federal Government. The whole purpose of advertising is increased business, whether it is a telephone company or some more competitive business.

Commissioner ANDREWS. I think that is true. I think that probably is one of the reasons why we have more telephones in the United States than all the rest of the world put together.

Mr. HAYS. I want you to understand, Mr. Commissioner, that I was not picking on the telephone company.

Commissioner ANDREWS. I didn't assume that.

Mr. HAYS. I was using that as an example to see if we could get some meeting of the minds on the fact that just because the primary individual, corporation, foundation or whatever it might have been, didn't pay taxes, that immediately all that became sterile and the Government didn't get any return anywhere along the line.

Commissioner ANDREWS. I understood it that we were discussing the principle.

Mr. HAYS. That is correct.

Now, Mr. Sugarman, going back to your statement on page 13, I don't think that this needs any particular further interpretation, but I

just want to remphasize again at the bottom of the page, you say that while normally provisions exempting taxpayers are to be strictly construed, the exemption under section 101 (6) is to be liberally construed. You have certain court decisions which have down through the years set up that policy up, is that right?

Mr. SUGARMAN. That is right.

Mr. HAYS. If you did anything other than construe it liberally, you would be flying in the face of court opinions, would you not?

Mr. SUGARMAN. It is just the fact that any taxpayer who thought we were not applying court decisions could take us to court and presumably would win.

Mr. HAYS. Going on to page 14, you cited this decision—No. 21 for the citation at the bottom of the page—saying that it includes the encouragement of good citizenship.

There is a term—and of course we are going to have trouble defining it—and would you say that term is one that there could be honest differences about as to what constitutes good citizenship?

Mr. SUGARMAN. Yes. Basically as the court indicates it is the same problem as what is education. The purpose of the example is to indicate what I think is fairly obvious, that of course we are not talking solely about classroom instruction when we are talking about education. It can include the type of thing that goes to the adding of the knowledge of people generally.

Mr. HAYS. I will ask you this. We had a witness before the committee who made the rather flat statement that such subjects as teaching social awareness, I would call it, he says they should not mention housing or the lack of it in a classroom, that is not education. You would not get down to that narrow definition of it in your department, would you?

Mr. SUGARMAN. As I have indicated, I don't think the courts would let us under existing laws.

Mr. HAYS. In other words, while the witness may have a perfect right and certainly did have a perfect right to his opinion about that, that that had no place in the curriculum, that is a debatable question on which people might have an honest difference of opinion. If some foundation gave a grant to study housing, you would not say that was proscribed, would you?

Mr. SUGARMAN. Of course, Mr. Hays, I think I would have to say this. Not having heard the testimony of the witness, I would hesitate to comment. He may have been talking, of course about his opinions and concepts of education generally while I of course must talk about the terms of the present statute we operate under, and the court decisions. The only thing I can say is that under the present statute and court decisions, they have so construed the word education liberally as including the discussion of many topics of public interest, and I assume housing would be one of them, although I cannot recall any case that particularly touches on that subject.

Mr. HAYS. I am going out of the chronological order now but I remember one of the tax decisions you cited occurred back in 1932.

Mr. SUGARMAN. Yes, sir. There were a number of them back in the early thirties.

Mr. HAYS. Could you refer to that specific one in 1932. Do you happen perhaps to know more nearly which one it is?

Mr. SUGARMAN. The Leubscher case in 1932, decided by the Court of Appeals for the Second Circuit involved the contributions to an organization, to a corporation to teach and expound single-tax ideas. That may have been the one that you had in mind.

Mr. HAYS. I think that is the one. As I recall it, they said that they could go ahead and teach that. That was not barred or proscribed.

Mr. SUGARMAN. Yes, sir.

Mr. HAYS. Although we might not agree with it, they held it was their right to advocate it.

Mr. SUGARMAN. Yes. They allowed the deduction of the contribution in that particular case up to the point that the organization was not using this material to actually influence legislation. But as long as it was a matter of teaching the subject, even though it had an advocacy involved in it, that it would be entitled to the exemption. But they would stop short and deny the exemption if the organization engaged in legislative activities.

Mr. HAYS. That was a pretty significant case in setting out the whole policy of your Department, wasn't it?

Mr. SUGARMAN. It was one of a series. You will recall in the statement I referred to cases that came up in the first, second. third and fourth circuits. When all those four circuit courts of appeals took the same approach, both the Tax Court and the Revenue Service followed that approach, because litigation became useless.

Mr. HAYS. I am not going to ask you this question. I am merely stating it so you won't think I am trying to be rather involved here. The reason I wanted that particular case cited and the others is because it has been stated here that this whole policy of foundation has been part of a great new deal, fair deal, some kind of a deal, plot. I wanted to get that in the record about this 1932 decision, because I don't think anybody could say it was part of any plot of that kind. It predated. I am not asking you to comment on it one way or another, because I don't want you to get involved in it. I will check on that court and find out its complex and may have something to say about it further along.

Now, I am interested on page 16, Mr. Sugarman, in a little further development of the paragraph which is the first one to begin on that page, starting,

> The committee reports and the language of the 1934 act establishes that the words "carrying on propaganda" do not stand alone but must be read together with the words "to influence legislation."

I think it is pretty clear there what you mean and how you operate, but would you want to develop that a little further? In other words, that is the only kind of propaganda that is proscribed by the law, is that correct?

Mr. SUGARMAN. That is the only kind that is expressly proscribed. My only point here is merely a grammatical one, and that is that the statutory provision has the words "or otherwise attempting" surrounded by commas. So if you leave that phrase out, "or otherwise attempting", the statutory provision on that point at least reads simply "no substantial part of the activities of which is carrying on propaganda to influence legislation."

I mention that only because of the interest in the subject or the term "propaganda" and to indicate that in terms of express provi-

sions, the statute refers only to propaganda to influence legislation, and not otherwise to other types of propaganda. In order to complete my answer, however, I would have to say the problem of what is educational is still with us.

As to that point I would have to refer to the previous summary of the judicial precedents in which I indicated that one point which the courts developed was that the organization must not only, as I have indicated on page 23 in that paragraph, the second full paragraph on that page, not to a substantial degree attempt to influence legislation, but also its methods must be of an educational nature. It is on that point we get back to what is an educational method.

Without getting into the term "propaganda", we get into the same problem of whether or not the method smacks of attempting to educate people, to give them the data, the information on which they may draw conclusions, or whether it is merely opinion and so forth which gives some resort to conclusions without the facts.

Mr. HAYS. That leads us into a rather interesting situation. You use the word "propaganda" and the law uses the word "propaganda" and the committee here has used the word "propaganda" and various witnesses. I wonder just what is propaganda. It is conceivable that the word might mean different things to different people, isn't it?

Mr. SUGARMAN. That is correct. As I indicated at the earlier stages the Revenue Service at one time attempted to draw a line between propaganda and education by indicating that organizations engaged in disseminating knowledge or their views on controversial subjects may be engaged in propaganda and not entitled to exemption. The courts felt we should not draw that line into the statute. For that reason, organizations of that sort may now be granted exemptions under the existing judicial precedents.

I think that propaganda problem is one that we pretty well leave alone in the sense that in this area, like many others, we find that attempts to define terms do not help us particularly when we get to actual cases. For example, the matter of sending telegrams to members of Congress to vote a particular way is a pretty concrete example of what we would consider propaganda to influence or otherwise attempting to influence legislation. We can spot that type of activity without worrying about whether it comes under some precise definition of propaganda.

Mr. HAYS. In other words, no matter how we define propaganda, you are not interested in it in your department unless it is for the purpose of influencing legislation as far as these foundations are concerned?

Mr. SUGARMAN. I say we are not interested in the sense of attempting to work out a scientific definition of it. We are interested in activities which some people might regard as propaganda. But we would rather evaluate the particular activities against the precedents we have already, rather than attempt to evaluate against some definition.

Mr. HAYS. Of course, you would be interested in subversive propaganda or Communist propaganda.

Mr. SUGARMAN. Yes, sir; but that is basic, the matter of the subversive activities that are carried on.

Mr. HAYS. The reason I spend some little time on it is that it is a case again, it seems to me, of where we ought to know pretty much

what you mean by it, and what we mean by it, so we know we are talking about the same thing. It is a difficult word to define.

I might say, Mr. Chairman, I would welcome any interruption by you or any other member of committee, or the counsel, if it could be helpful in getting some kind of definition for the purposes of the committee on this word so we are all talking about the same thing. I am not trying to belabor the issue or becloud or befuddle anything.

Mr. GOODWIN. It might occur to me to inquire what is the matter with the interpretation that the service is putting on the definition now?

Mr. HAYS. There is not a thing as far as I am concerned, Mr. Goodwin. The only thing is as you perhaps know as well as I do over the years the word "propaganda" itself in the minds of a good many people has come to have some sort of undesirable connotation. We are not talking about that kind of propaganda.

Mr. GOODWIN. So has a lobbyist. They got around that by saying what is it now, public relations counsel.

Mr. HAYS. I would say that the hearings might have developed this so far, that if it is something you are against and don't agree with, that is propaganda, but if it is something that is for your side, that is merely an attempt to educate the public. Is that right?

Mr. WORMSER. Might I suggest that we ask the Commissioner and the Assistant Commissioner whether they think that an attempt by Mr. Goodwin's committee to define some of these terms in the statute would be useful or make your work more difficult?

Mr. SUGARMAN. I would make just this one comment, Mr. Wormser, that I am sure you will appreciate as a lawyer, that frequently the addition of more words does not necessarily clarify, and I think I would have to withhold judgment on that suggestion, until we had an idea what the legislation might be.

The CHAIRMAN. When you were asked originally whether you had set up standards by which to judge and interpret some of these requirements, you said that you had not, and then you had just made another statement, both of which impressed me, that definitions or standards are difficult to relate to individual cases.

During the course of your discussion—and this relates to the whole subject about which you have been interrogating the Commissioner, Mr. Hays, and the Assistant Commissioner—that they have very difficult problems in setting out definitions or standards that apply to these individual cases as they come up. I can well understand that problem. I am also impressed, as I am sure you are, that many of us who look at it from where we sit have great difficulty keeping our emotions from entering into our estimate of what might be propaganda or what might be education, because in a measure we are affected or might tend to be affected by our own feeling on the subject, whereas we hope always that the Internal Revenue Service and its personnel are entirely objective when it comes to these highly important questions.

Mr. HAYS. I would say generally speaking, Mr. Chairman, that I agree with you, and I certainly think that all the members of the committee, although I don't presume for any other than myself, can appreciate the difficulty with which your Department must sometimes be faced on making some of these determinations.

I notice that you used somewhere along in your prepared statement the fact that there is a mighty fine line or very thin line, or words to that effect, on some of these cases. I can see that. It seems to me that your testimony has indicated that your Department has leaned over backward to prevent any suspicion of censorship or bias on your part from entering into it. I certainly for one want to express my appreciation. I think that is the difference, if I may digress for just a minute or two, between our system and the system in the world that we are fighting. That is, the Government doesn't say that you have to channel everything into our line of research and thinking, and that is perhaps the reason in the battle for scientific knowledge that in order for them to keep up not alone let them be ahead that they have had to resort to spying and stealing secrets, because of the fact that their government acted as an oppressing agent on independent scientific research.

I think that it is all good. Certainly I don't want anything I say or do here or any questions I ask you to make your job more difficult. I am merely trying to get on the record of this committee just how you go about it so the committee can be guided in its search for the facts and its conclusions when it goes to write a report.

I have just one more question.

Mr. WORMSER. Mr. Hays, apropos of that, would you be interested in pursuing this idea, whether we are not putting an extraordinary difficulty on the shoulders of the Bureau in this whole situation? There is no direct taxpayer relief except through the States. I don't know whether it is practical to have it through the Federal machinery. But the Commissioner has the entire burden of testing these various areas. In other words, he has to bring a lawsuit or precipitate one which then has to go to the courts to determine where the line is drawn. He draws it for the moment in arbitrary fashion, but in the end it results in litigation. Maybe there is some way of relieving the Commissioner in part of that very arduous and difficult task. He has to precipitate lawsuits.

Mr. HAYS. Mr. Wormser, I might say to you in partial answer to that, that if the Congress could be helpful in any way that the Commissioner and Treasury Department would like them to be, I am sure it would be the wish of Congress to do it. I think over the years we have found that you can't spell out every single little thing, and you can't in advance try to anticipate all the problems that are going to come up. There is a saying around here on the Hill, and it was here before I came, that Congress has never passed a bad law. If it has been bad, it has been because of bad administration. I will say that is a biased point of view, perhaps, but the point I am trying to make is that we have to give some discretion to the people who do administer the laws that are passed up here.

I think you have made perhaps the best point of all, perhaps inadvertently, that if Mr. Andrews or any preceding or successive Commissioner makes a decision that any particular foundation, taxpayer or individual question, they do have recourse to a final arbiter, who is not the Congress or the Commissioner, but the courts. Certainly Mr. Sugarman in his prepared statement has indicated by a whole series of court decisions how the policy was shaped in conformity with the law and the Constitution and all the things that you take into consideration when you go into court.

If there are any concrete suggestions, as aws said this morning, that you would have, I am sure that either this committee or the Ways and Means, or some other committee would be glad to consider them.

Mr. WORMSER. This is, of course, only a very small part of the Commissioner's job. The machinery he has for it is very modest. I doubt whether you could get an increased appropriation for watchdogging foundations. Really his office is not geared for the job. I wish somebody would think of a solution which would assist him in that very difficult problem. He hasn't got the manpower really to check these activities; I am sure that is correct, isn't it, Mr. Andrews.

Commissioner ANDREWS. I would say so, yes. I think the problem that you are up against in this particular situation here is the inherently prolific character of human ingenuity.

Mr. KOCH. Could we raise this point? Mr. Hays referred to the 1932 decision, and that was before the statute was amended in 1934 where for the first time they specifically mention propaganda for legislative purposes. Yet without that new amendment in 1934, in 1932, the courts nevertheless disallowed one bequest because it was tainted with a legislative program. So the point I make is this: If the addition of those words merely add to our confusion, it might be better to strike them out, and go back to the original one which merely said educational purposes. There the court said, "Well, if it has a legislative taint, we won't grant the deduction." If we can't decide reasonably what is a good definition of propaganda, maybe we should yank it out of the statute.

Mr. HAYS. That is a very interesting thing, and I would like to hear the Commissioner or Mr. Sugarman or both comment on that. Personally I think that their job would be infinitely more difficult if those words were not in. I would like to hear them express themselves on whether they would like to have it taken out. Personally I don't think it would be good.

Mr. KOCH. I don't know.

Mr. SUGARMAN. I would like to say this one point. The study we made previously of the problem indicates that at that time Congress was aware of the court decisions and what they were indicating, and that they struggled with the question of whether they should put limitations on the type of activities of these organizations. As indicated at first, there was a thought of putting in a phrase, excluding partisan activities and so forth. It finally ended up with the present language in 1934, no substantial part of activities which is carrying on propaganda or otherwise attempting to influence legislation. It is our view that that basically represents the insertion in the statute of what the courts had already decided.

Mr. HAYS. In other words, you think, sir, that is a limiting provision, rather than opening the gates?

Mr. SUGARMAN. It is a little bit of both, Mr. Hays. It is limiting in the sense that the court decisions were limiting in saying that attempting to influence legislation as a matter of public policy was not the type of thing Congress intended to grant exemptions or deductions for, and accordingly they would not recognize it as a proper activity if carried on to a substantial extent by an exempt organization.

It opens the gates only in the sense that by spelling out this particular type of propaganda or other activities, in the legislative field, that

indicates that Congress was not attempting to put limitations upon activities of organizations which might be considered educational even though in a controversial area, as long as it was not a legislative purpose.

The CHAIRMAN. Any other questions?

Mr. HAYS. I have one, yes. This is a hypothetical question. If you feel that it would be pushing you in a corner to answer it, I won't insist. It just occurred to me that it was an interesting thing.

I remember in studying history that several historians that I read said that one book more than any other had a tremendous influence on the abolition of slavery. I think you perhaps know what that is. Uncle Tom's Cabin. Suppose at the time this author, Harriet Beecher Stowe, had been working on a foundation grant, and there are a lot of authors working under them today, and she produced this book; would you hold that the foundation was guilty of activity designed to influence legislation under your definition now?

I will answer the question, and my guess is that you would not. But I just wondered.

Mr. SUGARMAN. Mr. Hays, may I preface my answer this way: We have a rule in the Revenue Service which is administratively necessary that we do not issue rulings on hypothetical cases. I don't say that to duck your question but simply to indicate that we try to steer clear of hypothetical cases, because we always find when we get them presented to us, there are always some more facts in the background, and for that reason any answer we give merely leads to further controversy when people try to compare the answer with actual facts, when someone examines the returns a few years later on.

To get to your point, if a foundation did make a grant to an individual who had the public effect of stirring the minds and imagination of the people and ultimately had an effect on legislation, we would hardly either grant or deny the exemption to the foundation on the basis of merely one book, because as I indicated, the statute requires that no substantial part of the activities be propaganda to influence legislation. I hardly think that in any sizable foundation, one book would make that much difference.

I would also want to add this other point in connection with it. As we indicated in the court decisions on the organization that was attempting to abolish alcoholism in the entire world, that in connection with its very ambitious program, the court indicated that the mere fact that others used its literature for legislative purposes did not prevent the organization from having its exemption.

Mr. HAYS. That is the question I am trying to get at. In other words, although this may be produced by foundation money and somebody uses it that doesn't make the foundation in violation because they made the grant in the first place?

Mr. SUGARMAN. I think that is right, although I would want to say that what we look to in that connection is the spirit with which the material was developed and intended to be used. Again, that is a word which is very difficult to define and apply. But basically I am getting back to this concept of educational methods which includes the matter of attempting to impart real information and knowledge. If it is written for subversive or other purposes, then of course we have a different situation.

Mr. HAYS. Thank you very much, Mr. Sugarman. May I ask in conclusion that I was briefed beforehand that you were very intelligent and hardworking, and that you would not be put into a corner by any questions I might ask. I am glad to find out that I didn't even need to be solicitous about it.

Mr. SUGARMAN. Thank you very much.

Mr. GOODWIN. One question for purposes of clarification in my own mind. I understand that when a taxpayer is aggrieved by action of the Bureau on exemptions, he has two options, first to pay the tax, and then to go after a refund, or to say that he won't pay the tax until he has prosecuted his appeal.

In the first instance he goes to the Court of Claims and in the second instance to the United States Tax Court?

Mr. SUGARMAN. In the first instance he has his choice of the Court of Claims or the United States District Court, depending upon the usual rules of jurisdiction of those courts.

Mr. GOODWIN. But he may go to the Court of Claims?

Mr. SUGARMAN. Yes.

Mr. GOODWIN. In the second instance, his right of appeal is to the United States Tax Court.

Mr. SUGARMAN. That is right.

Mr. GOODWIN. One other question. Is it a fact that since the original Revenue Act was written, and coming down through the period when there have been two or three revisions of the tax code, that the Congress has apparently shied away from any temptation to write new definitions into the law, or to attempt to amplify the meaning of the original terminology?

Mr. SUGARMAN. I think that is correct, sir. We had this addition in 1934, which, as I say it is my impression——

Mr. GOODWIN. Propaganda for political purposes.

Mr. SUGARMAN. That basically put into the statute what seems to reflect the court decisions. The next change came in 1950 when changes were proposed in the Revenue Code which go to the financial transactions of the organizations, represented by the so-called prohibited transactions and the accumulations of income by exempt organizations.

Mr. GOODWIN. Aren't those about the only two instances where the Congress has made any attempt to mess around with the original terminology?

Mr. SUGARMAN. Basically that is right, sir.

Mr. GOODWIN. Now, my final question: I want to put that to the Commissioner. Would it be a fair statement to say that this is an indication that the Congress is pretty well satisfied with the way the Bureau and the Department are interpreting the original terminology, and the way in which the courts are placing their decisions?

Commissioner ANDREWS. I think that is a fair conclusion, yes.

Mr. GOODWIN. Would it also be a fair statement to say that this also indicates, as applied to any temptation that there might be to spell out something with regard to application of the rule of exemptions to foundations, an indication that the Congress is pretty well satisfied with the behavior of the foundations themselves in cooperating?

Commissioner ANDREWS. I assume that would be an equally sound conclusion, yes, sir.

Mr. GOODWIN. That is all, Mr. Chairman.

The CHAIRMAN. There are two observations that I wish to make, and they may need no questions.

One was with respect to what was said about creating taxable income. The donations of the foundations are sterile in the sense that as long as the income of the foundations, when spent, gets into taxable transactions, that may result in increased taxes.

Commissioner ANDREWS. In part.

The CHAIRMAN. The capital of foundations is tax sterile until spent.

During the course of your statement you made reference to the fact that most of these provisions in the law were enacted at a time when the tax rates comparatively were low. I am interested in the question that Mr. Wormser raised in one of his questions. In the event a tax exemption is withdrawn as a result of some violation that would justify the withdrawal, the capital or corpus of the foundation does not become taxable, as I understand it.

Commissioner ANDREWS. That is correct.

The CHAIRMAN. I realize there may be legal prohibitions that would make it very difficult to reach in the usual ways. It is a matter of considerable importance, it seems to me. Take, for example, some of the foundations whose tax-exempt status has been withdrawn as a result of violations, like the Garland Fund and the Marshall Fund, which I think under the findings of the Internal Revenue Service, had fallen into pretty bad practices. The foundations had gotten into unfortunate hands. The tax exemption was withdrawn. What position did that leave the people in who own the capital of those foundations? Were they free, then, to continue to spend the capital of the foundations as they saw fit after the tax exemption was withdrawn?

Mr. SUGARMAN. Sir, the only right we have in connection with organizations that may once have been exempt and are held no longer exempt is the same as that we have with other organizations, namely, to determine their taxable income, and to impose a tax on that income. We have no tax on the capital of organizations as such.

The CHAIRMAN. Take the Garland fund, for example; I think it is universally agreed that the Garland fund engaged in practices that would not be generally approved. I think it would be generally agreed that many of their activities were subversive. You withdraw the tax-exempt status. But that still left the capital of the Garland Fund to be spent in any way that the people in charge might wish to spend it. Still the capital of that fund was made possible through tax exemption, that is, possibly 85 per cent of it was as a result of the government or the people foregoing taxes and that found its way into the Garland Fund, and became the capital of that fund. So after all, it is possible if a foundation should fall into unfortunate hands that the entire capital that is made possible through tax exemption could be used even for subversive purposes or propaganda, lobbying or any activity which the people who at that time in charge of the fund might desire to spend the money for.

Mr. SUGARMAN. Mr. Chairman, those activities would not be matters over which we would have control unless there were some tax aspects. However, there might be other laws they might run afoul of such as the one I referred to previously in referring to the Internal Security Act, the matter of registration that is involved in that.

The CHAIRMAN. A more recent foundation was, I believe, called the Des Moines University Lawsonomy. That sounds interesting to me.

As I understand it, this foundation called the Des Moines University of Lawsonomy was established——

Mr. HAYS. Would you tell me what that last word is?

The CHAIRMAN. The man who founded this university was named Lawson, so he called it Lawsonomy, as a charitable enterprise. After he set up his foundation and acquired a tax-exempt status, that gave him a good standing, we might say, and as I understand, he entered into business transactions and selling surplus commodities of the Government. We would all be disposed to a charitable activity of that kind to dispose of surplus commodities. He paid no taxes on that income because it flowed into the foundation. During the course of the foundation he violated the tax-exempt laws and the tax exemption was withdrawn, but he still had his few hundred thousand dollars that he acquired to spend in riotous living or any other purpose for which he desired to spend it. I am not criticizing, by what I am saying, the Internal Revenue Service, because the Internal Revenue Service stopped it as soon as it became evident what was happening, just as it did in the case of the Garland fund and the Marshall fund. But what I am pointing out is what appears to be a weakness.

It would be difficult to imagine, but a foundation with a capital of $500,000 could possibly fall into unfortunate hands in the course of years—25, 50, 75—and even if the tax-exempt status should be withdrawn, the corpus of the foundation would still be available—without the payment of taxes—to be spent on any of these purposes which are proscribed by the law.

Commissioner ANDREWS. Mr. Reece, let me see if I understand what you are getting at. Your question is directed to what the situation is, as I understand it, when an exempt organization or a previously exempt organization is declared no longer exempt, but still has on hand a substantial amount of money that it has been allowed to receive without taxation. Is that it?

The CHAIRMAN. That is right.

Commissioner ANDREWS. I just asked Mr. Sugarman a moment ago on the side what the situation would be there from the standpoint of perhaps asserting a tax on that portion of those funds received back to the point where the statute of limitations might run, assuming that the condition that gave rise to the declaration of nonexempt status existed back as far as that. I didn't hear exactly what he said, but I got the impression that he said that would be a pretty fine legal point, and I would certainly have to agree with that.

Mr. WORMSER. Mr. Chairman, may I introduce another thought which might help this discussion?

Would it be possible, do you suppose, to change the law making all initial gift taxes or State-tax exemptions for charitable contributions permanently conditional, so that the statute of limitations would not run, and if the organization were later declared to be subversive or engaged in something nefarious, retroactively then the original exemption to the extent that the funds remained could be withdrawn?

Mr. HAYS. May I add one to that, and amend that a little bit? How about this 27½ percent oil depletion allowance. You might get some nefarious characters accumulating capital that way. If you are going to amend this, you might put that in so if they did anything nefarious you might take that away from them. It is a possibility here.

Mr. SUGARMAN. Mr. Chairman, just as a thought by way of background on this particular problem, I would like to call your attention to the fact that in 1950 the Congress had somewhat the same problem under consideration in connection with the so-called prohibited transactions in regard to organizations, funds of which were being used to promote various business and other activities of the people who founded the foundations. In that, Congress was fairly careful in the authority which it gave the Department with regard to revoking the exemption of any organization because of prohibited transactions. I would like to read the provision that Congress inserted into the law at that time.

This is in section 3813 of the Internal Revenue Code.

> An organization shall be denied exemption from taxation under section 101 (6) by reason of paragraph 1 (that is the prohibited transaction provision) only for taxable years subsequent to the taxable year during which it is notified by the Secretary of the Treasury that it has engaged in a prohibited transaction.

So it required us to give notice and then the effect of that notice would only be beginning with the following year.

> Unless such organization entered into such prohibited transactions with the purpose of diverting corpus or income from its exempt purpose and such transaction involved a substantial part of the corpus or income of such organization.

The limitations on a future application of that revocation you will note would place a considerable burden in determining the facts of such diversion or the purposes.

The CHAIRMAN. I brought that up largely for the purpose of calling attention to that condition which does obtain which would seem to me to be somewhat serious even at present and potentially more so. I have this in mind. I don't know whether it would be feasible or not. We speak about foundations and we are not clear in our minds as to just how the funds for the foundations come about, and at whose sacrifice the funds come about. In that connection I was impressed with what you said in your statement that these provisions of the law came into being at a time when comparatively the rates were very low. I am wondering if it would be practicable to take one of the foundations that has been set up—one of the larger foundations which has been set up—more or less under our present tax structure, and indicate what the taxes on that estate would have been had it been disposed of in the usual way to individuals, members of the family, or otherwise, and then the amount of taxes that was paid when provision was made for the foundation. Of course, the one outstanding example naturally is the Ford Foundation. I just wonder if it would be practicable to give us on one of these large foundations the percentage of the capital that came about as a result of foregoing the payment of taxes which would otherwise have been paid?

Mr. SUGARMAN. Mr. Chairman, I am sure we would be glad to make a computation on any case you would care to name on which we have records. I would merely like to suggest that one difficulty in that regard. The current planning of people of course is based upon existing law which includes an unlimited deduction for estate- and gift-tax purposes, of contributions to these organizations. Should that law be different, I think we can assume that people might plan their affairs differently. For example, if there were a limitation on the amount of deduction for estate-tax purposes to these foundations people might well plan their affairs so as to have a smaller estate at

death, and to transmit more of their property during life and obtain the advantages of whatever deductions would be available to them during life. So I would merely like to suggest that while a comparison could be made on the basis of all exemption or no exemption under existing law in any particular case, I think we would have no assurance that such case would actually occur if the exemption had been denied.

Mr. HAYS. May I interject a comment there if you will yield?

The CHAIRMAN. Yes.

Mr. HAYS. Mr. Wormser, our counsel, is an expert on this business of planning estates so you don't have to get "clipped" any more than you have to on taxes.

Mr. WORMSER. Would you like me to show you how to do it, Mr. Hays?

Mr. HAYS. I have your book, but my problem now is to get the estate to plan.

Mr. WORMSER. That is one thing I don't know anything about.

Commissioner ANDREWS. Mr. Hays, I don't think you need to worry about that as long as you have the present law. You won't have to worry about that.

The CHAIRMAN. Anyway, would one be justified in stating in an overall way that where a foundation of 3, 4, or 5 million dollars was set up, that 85 percent of that is the result of exemption of taxes?

Mr. SUGARMAN. Frankly, Mr. Chairman, offhand I would not be able to express a judgment on any particular figure.

The CHAIRMAN. I realize that. Are there any other questions?

Mr. HAYS. You have opened one there that I just want to ask about. You asked Mr. Andrews if funds that are not spent by these foundations are not sterile until spent taxwise, and I believe your answer was that they are. Isn't that about what you said? I am not trying to rephrase it.

Commissioner ANDREWS. In a sense that they never were taxed, assuming that all of it came from tax-exempt contributions, and to the extent they remain in the foundation or whatever type of organization it is unspent, and undisbursed, they, of course, are not producing any tax revenue.

Mr. HAYS. Undivided profits would go in the same category, would they not, as long as they are not divided and remain, for instance, in a bank? Some banks carry quite a sizable amount of money in undivided profits.

Commissioner ANDREWS. On the other hand, generally speaking your undivided profits or undistributed earnings of business organizations presumably are producing economic activity which creates income and that gives you taxes.

Mr. HAYS. Yes, I agree with that, and I wondered if you were not saying that. This money that the foundations have and have not spent, they don't have that in a bag in the vault some place. They have it doing exactly the same thing as undivided profits in a bank.

Commissioner ANDREWS. It is producing income to the extent that it is invested. But it is producing rent on capital, rather than producing goods or having to do directly with the distribution of goods.

Mr. HAYS. I am not finding fault with the undivided profits. I just want to make the point that it is sterile as far as producing taxes

are concerned until such time as it is divided, the same as the foundation money is sterile until the time it is spent.

The CHAIRMAN. Would the gentleman yield?

Mr. HAYS. Surely.

The CHAIRMAN. If I am not badly misinformed, the earnings that are passed on to the surplus fund in a bank, you pay the income on before they go into the fund of undivided profits. So if you found some way of avoiding the payment of that income tax in transferring the earnings over to the undivided profits, I would like to have you advise me.

Mr. HAYS. I think it might be possible to advise you because the banks seem to have a feeling that they save on taxes by transferring certain amounts of money into undivided profits as a sort of hedge and reserve. Certainly they would pay more taxes on it if they distributed it as dividends to their shareholders.

The CHAIRMAN. I don't want to speak for the banks——

Mr. HAYS. I have a little personal interest, and maybe we could get some free advice from the Commissioner.

The CHAIRMAN. There is no way by which a bank can avoid paying the tax on its earnings merely by transferring those earnings into undivided profits.

Mr. HAYS. Of course they can't. I think we are talking about two different things. I was looking at it from the standpoint until that money goes out from the bank in the form of dividends or until this foundation money goes out in the form of grants, that they are in a comparable situation.

The CHAIRMAN. No. The Commissioner and his minions are only there at the end of the year. They don't wait until they are paid out.

Mr. HAYS. They get more when it is paid out.

One other thing I might ask you, Mr. Sugarman. You mentioned this morning, and I think you used the words, comparatively few foundations have strayed from the original purposes that they were set up for. Would you be able, not today, because you perhaps don't have it at your fingertips, a little later advise the committee how many have strayed? Maybe you have it right there.

Mr. SUGARMAN. I think I can give you some information on that in regard to figures we collected for a prior period which I do not think is substantially different today. That is, in the 2-year period ending June 30, 1952, we had revoked the exemption during that 2-year period, not for all time, of 55 organizations that previously had been granted exemption in the category that we are talking about.

Mr. HAYS. In order to get some sort of basis of comparison or a percentage figure, 55 out of how many approximately that have that status?

Mr. SUGARMAN. I think this covered the group in excess of 30,000 that is in our category or organizations contributions to which are deductible, principally the 101 (6) organizations.

Mr. HAYS. That answers the question very satisfactorily. Thank you. I have one more question, and perhaps the Commissioner won't care to comment on that, but I would like to preface it by a preliminary question.

What percentage of the total revenues of the Government come from the income tax? Could you give us a rough idea?

Commissioner ANDREWS. You mean the individual income tax?

Mr. HAYS. All income tax, individual, corporate, and so on.

Commissioner ANDREWS. I would have to check that to answer in a formal hearing of this kind. I could give you that.

Mr. HAYS. It does not really matter. Would you say a substantial part?

Commissioner ANDREWS. A very large part of it; practically all of it.

Mr. HAYS. That brings me to the $64 question, and if you don't want to comment on it, you don't need to. But one of the witnesses we had before this committee, and he and I got into a friendly discussion about it, made the flat statement that the income tax was a socialist plot and that it had been foisted off on this unsuspecting country of ours and it is part of a big plot to destroy us. Would you care to comment on that?

Commissioner ANDREWS. No, I don't think I want to comment on that. I don't know the full context of what the gentleman said. Besides, it doesn't fit into the question of tax administration. I think I better let that one pass.

Mr. HAYS. Whether or not it is a plot, you have it on the books and you are going to collect them.

Commissioner ANDREWS. Whatever may be the purpose of this tax system we have, it is my job to get the money.

Mr. HAYS. That is why I say plot or not, it is on the books and you are going to collect it.

Commissioner ANDREWS. I am probably in the Light Brigade. It is not my business to reason why, but to do what the law says do.

Mr. HAYS. I won't press it further.

Mr. WORMSER. Mr. Chairman, may I ask one final question? This is merely for our education. I have the impression, Mr. Andrews, that the high rates of taxation is recent years have very materially increased the incidence of foundations. I don't say that unhappily because I happen to like foundations. In fact, I have helped organize plenty of them. But there has been a growing tendency to use foundations to solve business problems, the problems of liquidating estates which would be frozen if the decedent left chiefly corporate taxes, and had very little capital and so also solve problems of continuing businesses as such.

Moreover, there has been also, I believe, a marked tendency by corporations themselves to create their own foundations, not merely to distribute their 5 percent charitable grants for the year, but also to do perfectly properly those charitable things which may be incidentally useful to their own businesses.

Has that not been that marked tendency in recent years?

Commissioner Andrews. There is no doubt in the world about that.

Mr. WORMSER. I am not saying that critically. As a matter of fact, I like it. I think it is a good thing.

The CHAIRMAN. Mr. Commissioner and Assistant Commissioner, we appreciate very greatly your coming up today. We had not anticipated taking this much time, which makes us doubly appreciative. Your testimony has been very enlightening to the inquiry which the committee has underway. As far as I know, I believe it is the most comprehensive presentation made by the Internal Revenue Service on this subject before one of these committees, and we thank you very, very kindly.

Mr. HAYS. I would like to concur, Mr. Chairman, and to thank you for the minority, and to compliment you on the presentation, and to say to you that if you gentlemen could get yourselves on television a little bit, I think it would add to the public relations of the tax-collecting department, and the people wouldn't think that tax collectors are as bad as somebody makes them out to be.

Commissioner ANDREWS. I might say, Mr. Hays, that in our modest sort of way we take advantage of occasional opportuntities to do that.

The CHAIRMAN. If there is a television representative present——

Commissioner ANDREWS. If we have been able to assist the committee in its understanding of this problem, of course we are happy. The time element is not important to us except to the extent that we want to give you gentlemen whatever time you may need from us. Anytime we can help you, let us know.

The CHAIRMAN. Thank you very much.

Commissioner ANDREWS. Thank you, sir.

The CHAIRMAN. It is of course too late to call any other witness. When the committee adjourns, it will adjourn to meet at 10 o'clock tomorrow in room 304, Old House Office Building. That is the Armed Services Subcommittee room in which we met 1 day last week. It happens that Mr. Wolcott is having a meeting of his committee in this room tomorrow so it is not available. We hope it will be available after tomorrow.

(Thereupon at 4:15 p.m., a recess was taken, the committee to reconvene at 10 a. m., in room 304, Old House Office Building.)

TAX-EXEMPT FOUNDATIONS

THURSDAY, JUNE 3, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE TAX EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10:20 a. m., pursuant to recess, in Room 304, House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece (presiding), Goodwin, Hays, and Pfost.

Also Present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathyrn Casey, legal analyst; John Marshall, chief clerk.

The CHAIRMAN. The committee will come to order.

Mr. Wormser, who is your first witness?

Mr. WORMSER. Mr. McNiece will be the next witness, and Mr. Koch will interrogate him.

The CHAIRMAN. Do you solemnly swear the testimony you are about to give in this proceeding shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MCNIECE. I do.

Mr. KOCH. Mr. Chairman, Mr. McNiece has prepared a statement on the interrelationships of foundations, education and government, and in that statement he will attempt to trace the flow of money, men and ideas between these three groups. Whether that is good or bad or any part of it is good or bad is something we may wish to determine at the close of the hearings after we have heard all the various points of view.

I would like to have Mr. McNiece read his statement and illustrate it with the chart as he goes along.

The CHAIRMAN. You may proceed.

Mr. MCNIECE. Mr. Chairman there is a question of procedure I would like to raise. This report consists largely of excerpts or quotations from documents and books. I believe we have a supply of them here for reference purposes. It would expedite this hearing materially if we could continue to read those excerpts from the manuscript without interruption to take the time to find the books. We have them here, and we are ready to do it in accordance with whatever the committee's wishes are.

The CHAIRMAN. You vouch for the accuracy?

Mr. MCNIECE. Yes; if any question is raised at any time we will dig up the information.

The CHAIRMAN. Without objection, that will be the procedure.

Mr. McNiece. One more statement I would like to make that concerns procedure. This report, as is indicated, is the initial staff report on relationships between foundations and education. It is dated May 20, 1954, because this was originally scheduled for presentation at that date, and upon that date copies of this document were given to all members of the committee.

This presentation will concern largely, if we follow the diagram, the area encompassed by foundations and the suspended educational units in the center, and then swinging around to the left. In other words, through the field of education. Later, a section of the report will cover the relationships principally between foundations and government as shown on the chart and then just a few moments devoted to closing the triangle by swinging across horizontally through the Federal or United States Office of Education.

Mr. Koch. Does your present report only deal with the educational matter?

Mr. McNiece. That is right. This section of the report.

That brings up the next statement I would like to make. We have prepared and ready for distribution to the members of the committee, and the only copies we have, of the so-called Economic Report and the Public Interest. They are ready today. The short intermediate section referring to relations between foundations and the government is in the course of preparation and mimeographing at this moment, because we have included data right up to the last minute. It is supposed that they will be ready for us by noon.

I want to make that statement in explanation of the fact that the whole thing is not ready for the committee as of this moment.

The Chairman. You may proceed.

STATEMENT OF THOMAS M. McNIECE, ASSISTANT RESEARCH DIRECTOR, SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS

PREFATORY STATEMENT

Mr. McNIECE. From the jungle of semantics various people may derive different interpretations from the same statement. In the simplest terms possible, we wish to say that in this report, regardless of other interpretations, we intend to draw no conclusions, but rather to portray such available facts as we have been able to gather on this complex subject. This report covers but one phase of the larger work that is being done.

Furthermore, we are not criticizing change as such. Rather does the evidence which will be offered seem to show that the pattern is one of evolving collectivism, the ultimate aim of several varieties of political thought with different names and a common objective.

To explain our reference to a common objective, we wish to quote from the sources indicated a number of statements on this subject.

Report of the Joint Legislative Committee Investigating Seditious Activities, filed in New York State, 1920. I believe that was known as the Lusk committee.

In the report here presented the committee seeks to give a clear, unbiased statement and history of the purposes and objects, tactics and methods, of the various forces now at work in the United States . . . which are seeking to undermine and destroy, not only the government under which we live, but also the very structure of American society;

. . . In the section of this report dealing with American conditions, the committee has attempted to describe in detail the various organizations masquerading as political parties, giving the principles and objects for which they stand, as well as methods and tactics they employ in order to bring about the social revolution.

In every instance the committee has relied upon the so-called party or organization's own statements with respect to these matters . . .

Those (organizations) representing the Socialist point of view are the Socialist Party of America, the Communist Party of America, the Communist Labor Party, and the Socialist Labor Party. Each of these groups claim to be the most modern and aggressive body representing Marxian theories.

A study of their platforms and official pronouncements shows that they do not differ fundamentally in their objectives . . .

These organizations differ but slightly in the means advocated to bring about the social revolution . . . they differ slightly in the matter of emphasis . . .

League for Industrial Democracy: Definition of "Democracy", New Frontiers, Vol. IV, No. 4, June 1936:

The fight for democracy is at one and the same time also a fight for socialism, democracy, to be sure, rests on liberty, but its substance is equality . . .

But finally, equality is social equality. All political institutions of democracy are perverted by private property in the means of production. Personal, legal, political equality—they all can be fully realized only when private property is abolished, when men have an equal control over property.

Democratic Socialism by Roger Payne and George W. Hartman, 1948, page 77.

These men are English authors.

In the socialist society of the future there will be two things in which it will be fundamentally different from the present society. One of these is collective ownership of the means of production and distribution; the other is a complete democracy under which the political, economic, social and international life will be complete democratized.

The Socialist Call (official Organ of the Socialist Party) April 1954, page 5:

Socialists regard the capitalist system of private property relations, with its complex, disputable, sometimes unfathomable inner economic laws and relationships, as a wall that stands between humanity and its goals in economic affairs, between man and his bread and peace of mind.

THE INTRODUCTION

On page A1161 of the appendix of the Congressional Record of February 15, 1954, there appears the copy of an article by Seymour E. Harris, professor of economics at Harvard University. This article is entitled, "The Old Deal," and appeared originally in the magazine Progressive in the issue of December 1953. We are quoting the first paragraph of this article:

In the 20 years between 1933 and 1953 the politicians, college professors, and lawyers, with a little help from business, wrought a revolution in the economic policies of the United States. They repudiated laissez-faire. They saw the simple fact that if capitalism were to survive, Government must take some responsibility for developing the Nation's resources, putting a floor under spending, achieving a more equitable distribution of income, and protecting the weak against the strong. The price of continuing the free society was to be limited intervention by Government.

Stepping backward for a span of 9 years, we wish to submit another quotation, this time from the issue of October 15, 1943, of the magazine Frontiers of Democracy, the successor to an earlier one to which reference will be made later and which was called "Social Frontier," Dr. Harold Rugg of teachers college, Columbia University, was the editor of the latter magazine and the author of the article from which this excerpt is made.

Thirteen months will elapse between the publication of this issue of Frontiers and the national election of 1944. In those months the American people must make one of the great decisions in their history. They will elect the President and the Congress that will make the peace and that will carry on the national productive system in the transition years. The decisions made by that Government, in collaboration with the British and Russian Governments, will set the mold of political and economic life for a generation to come. * * * We have suddenly come out upon a new frontier and must chart a new course. It is a psychological frontier, an unmarked wilderness of competing desires and possessions, of property ownerships and power complexes. On such a frontier wisdom is the supreme need, rather than technological efficiency and physical strength in which our people are so competent.

We are strong enough but are we wise enough? We shall soon see for the testing moment is now. Our measure will be taken in these 13 months. The test is whether enough of our people—perhaps a compact minority of 10 million will be enough—can grasp the established fact that, in company with other industrializing peoples, we are living in a worldwide social revolution.

We propose to offer evidence which seems to indicate that this "revolution" has been promoted. Included within this supporting evidence will be documented records that will show how the flow of money, men, and ideas combined to promote this so-called revolution just mentioned.

The money in large part came from the foundations. Men and ideas in a great measure came from the intellectual groups or societies supported by this money and found their way into the powerful agencies of education and Government. Here in these pivotal centers were combined the professors, the politicians, and the lawyers mentioned a moment ago.

Foundations, education, and Government form a triangle of influences, natural under the circumstances and certainly without criticism in itself as long as the three entities exist and the liaison is not abused or misused in the furtherance of questionable activities.

THE ORGANIZATION CHART

The nature of these threefold relationships can be most clearly and quickly illustrated by reference to the chart prepared for the purpose and entitled, "Relationships Between Foundations, Education, and Government." Let it be emphasized again that there is no element of criticism or condemnation to be inferred from this chart. It is what is commonly considered as a functional organization chart, and its purpose is to display graphically what it is difficult to describe, to see and to understand by verbal description only.

As previously suggested, the chart is basically in the form of a triangle with appended rectangles to indicate the functional activities in their relationship to each other. At the apex we have placed the foundations. At the lateral or base angles, on the left and right, respectively, are the educational and governmental members of the triad. Suspended from the rectangle representing the foundations are those representing the intellectual groups which are dependent to a large extent upon the foundations for their support.

The relationships between and among these organized intellectual groups are far more complex than is indicated on the chart. Some of these organizations have many constituent member groups. The American Council of Learned Societies has 24 constituent societies, the Social Science Research Council 7, the American Council on Education 79 constituent members, 64 associate members, and 954 institutional members. In numbers and interlocking combinations they are too numerous and complex to picture on this chart.

Mr. KOCH. May I suggest that this chart he refers to should be deemed in evidence and part of the record?

The CHAIRMAN. I so understood.

Mr. KOCH. Go ahead.

Mr. HAYS. Where will it be inserted, not that it makes any difference. Will it be at the end of his statement or at the middle?

Mr. KOCH. I should think right here where he is talking about it.

The CHAIRMAN. Under the caption "Organization Chart."

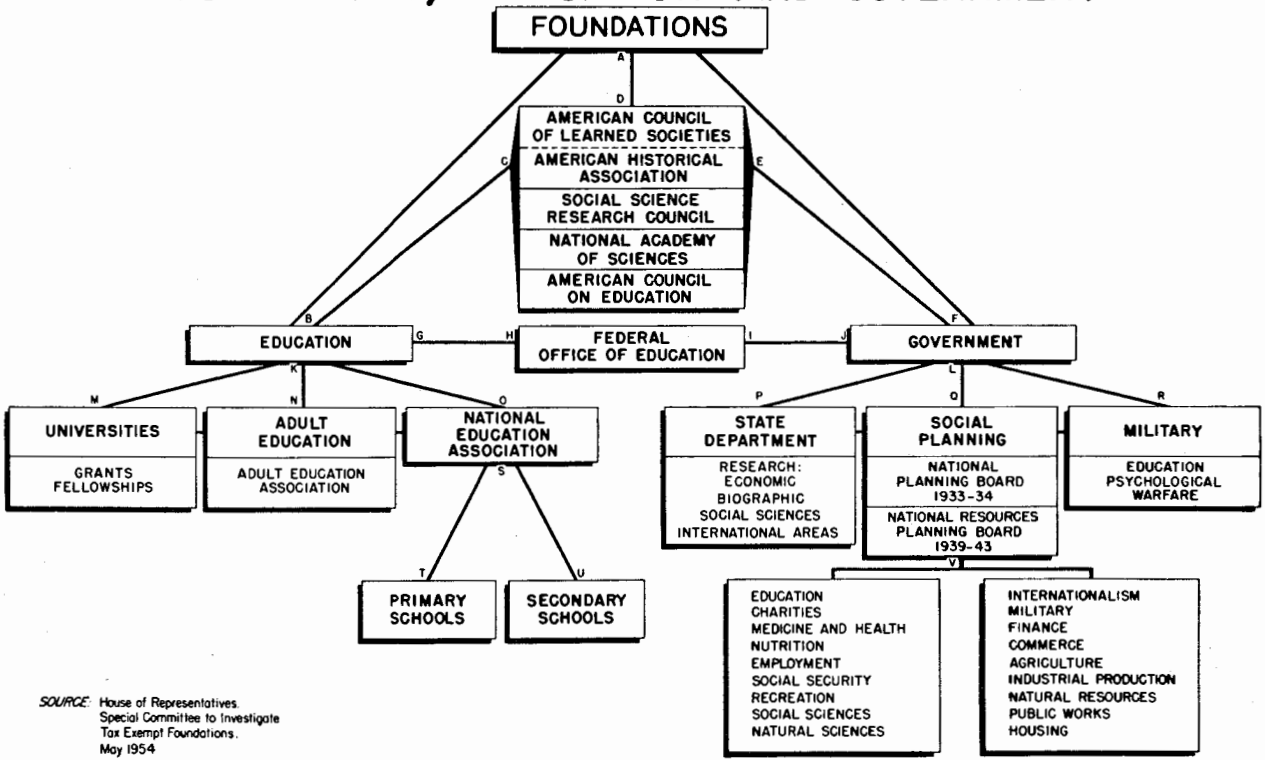
Mr. MCNIECE. I would think that would be the natural place for it.

Mr. KOCH. Go ahead.

Mr. MCNIECE. These types of intellectual societies may be considered as clearing houses or perhaps as wholesalers of money received from foundations inasmuch as they are frequently the recipients of relatively large grants which they often distribute in subdivided amounts to member groups and individuals.

For illustrative purposes, the following four societies are listed: American Council of Learned Societies, including the American His-

INTER-RELATIONSHIPS BETWEEN FOUNDATIONS, EDUCATION AND GOVERNMENT



SOURCE: House of Representatives. Special Committee to Investigate Tax Exempt Foundations. May 1954

torical Association, Social Science Research Council, National Academy of Sciences, American Council on Education.

The four shown on the chart are enough to illustrate the relationship of such societies to the governmental and the other educational units shown on the chart. Furthermore, credit or appreciation has been expressed by both educational and governmental circles for aid received from each of these four organizations.

Below the rectangle representing education appear the various branches of the educational effort. To avoid undue complexity, no attempt has been made here or at any other points on the chart to portray any but the principal areas of operation. Under the governmental function a few divisions of activity are shown. These are confined to the executive branches of Government where the greatest changes have occurred.

INTERPRETATION OF THE CHART

The lines connecting the various rectangles on the chart symbolize the paths followed in the flow or interchange of money, men, and ideas as previously mentioned. The focal point of contacts between these connecting lines and the rectangles are lettered somewhat in the manner used in textbooks of geometry and trigonometry in order to facilitate identification and reference in describing the existing relationships. Finally, this chart as a whole will be useful in locating the areas in which we have found evidence of questionable procedure against what we deem to be public interest.

Leaving the chart for a few moments, we shall refer to certain information derived from the record of the Cox committee hearing.

INFORMATION FROM THE COX COMMITTEE HEARING

Reference to the record shows that definite orders were issued in Soviet circles to infiltrate "all strata of western public opinion" in an effort to accomplish two objectives: one, to penetrate and utilize intellectual circles for the benefit of the Soviet cause and two, to gain access to foundation funds to cover the cost of such effort. Testimony of Messrs. Bogolepov and Malkin described firsthand knowledge of these instructions. Testimony of Mr. Louis Budenz confirmed this, even to listing the names of committee members appointed to accomplish this objective. Testimony of Mr. Manning Johnson added further confirmation of these facts and in addition provided the names of certain individuals who had succeeeded in penetrating or receiving grants from several of the foundations.

Evidence of actual Communist entry into foundation organizations is supplied in the Cox committee record. This testimony involves at least seven foundations, namely, the Marshall Field Foundation, the Garland Fund, the John Simon Guggenheim Foundation, the Heckscher Foundation, the Robert Marshall Foundation, the Rosenwald Fund, and the Phelps Stokes Fund.

Mr. HAYS. Could I interrupt there?

Mr. McNiece. Certainly.

Mr. Hays. I don't want to make a habit of this, because I agreed not to. I want to know if those are the only foundations that the staff found any evidence of Communist infiltration?

Mr. McNiece. That is the only ones I found. I may have overlooked some in the mass, but it was not intentional.

Mr. Hays. In other words, you did not find any in the Big Four or Big Three?

Mr. McNiece. No. I think there was some varying testimony on that which will come out later.

The tax-exempt status of the Robert Marshall Foundation was revoked by the Internal Revenue Bureau and the Rosenwald Fund, which was one of limited life, was liquidated in 1948 in accordance with the date specified by the founder.

Reference to the Cox committee record shows that some 95 individuals and organizations with leftist records or affiliations admittedly received grants from some of our foundations. These were divided as follows:

Rockefeller Foundation, 26
Carnegie Corporation, 35
Russell Sage Foundation, 1
Wm. C. Whitney Foundation, 7
Marshall Field Foundation, 6
John Simon Guggenheim Foundation, 5
Carnegie Endowment for International Peace, 15

A total of 95.

It should be clearly understood that there is no significance to be attached to the numerical differences or comparisons in the foregoing list. There are too many variables involved to warrant any conclusions whatever on relative performance among the foundations listed. Among these are the differing number of grants made and the varying opportunities for thorough search or screening of the records involved.

This list does not include all the grants of this character that were made. At this time we are not concerned with the question as to whether or not the foundations knew or could have found out about the questionable affiliations of these grantees before the grants were made. The fact is, the funds were given to these people. This is the important point of interest to us. These grants were made to professors, authors, lecturers, educational groups, and so forth, and all virtually without exception were included within educational circles. It should be obvious that with the passage of time, the activity of this many people and organizations dedicated to spreading the word in the educational field, would have an influence all out of measurable proportion to the relative value and number of grants. This influence is increasing and will continue to increase unless it is checked.

PERSONNEL AND ADVISORY SERVICES FROM HIGH LEVEL

During the last 20 years and especially in the last decade, the Government has made increasing demands upon the educational world for assistance from academic groups or societies. As will be brought out later in the documented records, it is from these centralized and interlocking educational groups that much of the influence which we question has arisen.

To indicate the magnitude of these sources of influence a few matters of record may be mentioned.

The National Planning Board requested aid from the Social Science Research Council in compiling a section of one of their planning reports. A committee from the Social Science Research Council actually prepared this section of the report. The creation of this committee for the purpose is described in the annual report for the Social Science Research Council for 1933–34. The National Planning Board rendered a final report for 1933–34. On page 54 of this report is the following caption: "The Aid Which the Social Sciences Have Rendered and Can Render to National Planning, June 1934."

Immediately below this is the phrase:

Memorandum prepared for the National Planning Board by a committee of the Social Science Research Council.

In 1950, the Russell Sage Foundation published a booklet entitled, "Effective Use of Social Science Research in the Federal Services." On page 5 of this report is the following statement to which we have added some italic:

This pamphlet has been written because the Federal Government has become the outstanding employer of social scientists and consumer of social science materials in the conduct of practical affairs. *Expenditures of the Federal Government for social science research projects*, either under direct governmental auspices or under contract with private agencies, and for personnel in administative capacities having command of social science knowledge, *far exceed the amount given by all the philanthropic foundations for similar purposes.*

Further evidence of the importance placed on this source of aid in governmental operations is offered in the following extracts from the annual reports of the Rockefeller Foundation wherein they refer to the granting of a total of $65,000 to facilitate planning for adequate supply of personnel qualified for "high level work" in public affairs and education.

On page 313 of the 1949 annual report, the following statement appears:

American council of Learned Societies Personnel in Humanities. Careful planning to assure a steady supply of people qualified for high-level work is needed in public affairs as well as in education and institutional research. Considerations of national welfare have led a number of governmental agencies to ask how many specialists of particular kinds now exist, how they can be located and whether they are now being replaced or increased in number.

Another reference appears on page 412 of the annual report for 1951. It follows herewith:

American Council of Learned Societies—Personnel in the Humanities. During the last several years extensive studies have been made of the demands for and the possible supply in the United States of personnel with unusual academic training. Because of the importance of having the humanities adequately represented in such studies, the Rockefeller Foundation in 1949 made a grant of $31,000 to the American Council of Learned Societies to permit the addition to its staff of Mr. J. F. Wellemeyer, Jr., as staff adviser on personnel studies. In view of the effective work done by the staff adviser, the Rockefeller Foundation in 1951 made an additional 2-year grant of $34,000 for continuation of this activity.

In the foregoing record from the annual report of the Rockefeller Foundation for 1949 is the very clear statement of the need for an adequate supply of personnel sufficiently qualified in the humanities for public affairs, education and institutional research. In itself

there should be no criticism of this objective. It does, however, seem to confirm that much of the influence which we are discussing comes from highly centralized sources. This naturally increases the opportunity to effectuate highly coordinated plans in all affected areas of activities and functions. Any criticism that arises should be directed to the final product or end result of this liaison. If such end results are harmful or opposed to the public interest all who have participated in the development of the situation should share the responsibility, and especially if such activities and their support are continued.

Inasmuch as the term "public interest" will be used in this report from time to time, it will be well to define it in the sense that it is used in this section of the report of the staff committee. The same conception of the public interest is used in the economic section of the staff's report. Public interest is difficult to define but for the purpose of this study, we can probably do no better than to refer to the preamble of the Constitution of the United States wherein it is stated that the Constitution is established—

in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

Mr. HAYS. Mr. McNiece, right there, maybe we ought to mark that passage, because I think the "promote the general welfare" clause is going to be a pretty debatable thing when we get into it.

Mr. MCNIECE. I think so.

Mr. HAYS You don't have a staff definition of that?

Mr. MCNIECE. Of public welfare?

Mr. HAYS. Of general welfare.

Mr. MCNIECE. I think it encompasses a great many activities which will come out later perhaps outside the pale of enumerated powers.

The last three words in the foregoing quotation impose a responsibility for the future upon us of the present. Later, as we approach the lower right-hand angle, we will have occasion to introduce formally the report on economics and the public interest. It will be tied up especially with the rectangle indicated as "social planning."

We would now like to offer the supplement, which is very brief, entitled, "Supplement to the Initial Staff Report on Relationship Between Foundations and Education."

The ensuing financial data will give some idea of the great amount of funds and their distribution made available in the educational field by a few of the larger foundations.

The statement is by no means complete. In fact it contains the contributions of only six of the larger foundations where the specific beneficiaries are named.

These six are as follows:

The Carnegie Corporation of New York
The Carnegie Endowment for International Peace
The Carnegie Foundation for the Advancement of Teaching
The Rockefeller Foundation
The General Education Board
The Ford Foundation (two instances only)

Great benefit has unquestionably resulted to all mankind from the contributions of these and other foundations and there is no intention to gainsay or minimize this or to detract from the credit due the foundations for these benefits.

What this investigation does seem to indicate is that many small grants have found their way into questionable hands and many large ones in points of concentrated use have been devoted to purposes that are promoting a departure from the fundamental concepts of education and government under our Constitution. That this may be recognized by those engaged in such activities is indicated by the frequent references in their own literature to the "age of transition" through which we are passing, and the responsibility that must be assumed by educators in leading the way. No one in full possession of his faculties should oppose change for the better but change for the sake of change alone may prove to be a dangerous delusion.

The following record has been summarized from the annual reports of the foundations previously named:

Associations receiving grants	Period	Amount
American Council on Education	1920–52	$6, 119, 700
American Historical Association	1923–52	574, 800
American Council of Learned Societies	1924–52	5, 113, 800
Council on Foreign Relations	1923–52	3, 064, 800
Foreign Policy Association	1933–51	1, 938, 000
Institute of International Education	1929–52	2, 081, 100
Institute of Pacific Relations	1929–52	3, 843, 600
National Academy of Sciences (including National Research Council)	1915–52	20, 715, 800
National Education Association	1916–52	1, 229, 000
Progressive Education Association	1932–43	4, 257, 800
Social Science Research Council	1925–52	11, 747, 600
Total		60, 686, 000

NOTE.—The foregoing grants follow the lines AD, thence CB on the chart.

Specific university grants	Period	Amount
London School of Economics	1929–52	$4, 105, 600
Teachers' College—Columbia University	1923–52	8, 398, 176
Lincoln School—Columbia University	1917–52	6, 821, 100

NOTE.—The foregoing grants follow the line AB on chart.

Grants by the Rockefeller Foundation (derived from a consolidated report of the Rockefeller Foundations) and the General Education Board combined to universities and including only the totals to the ten largest beneficiaries of each of the two foundations in each State of the United States:

	Period	Amount
To universities	1902–51	$256, 553, 493
Total fellowship grants	1902–51	33, 789, 569
Total		290, 343, 026

According to our compilations, the Carnegie Corp. has contributed to all educational purposes, from 1911 to 1950, approximately $25,300,000.

(These grants follow the line AB on the chart.)

These data are representative of the conditions which they disclose. It has been difficult to assemble these figures in the manner shown in

the time available. If there are any errors in the compilation, we firmly believe that they minimize the contributions.

A PRODUCT OF FOUNDATION SUPPORT

On the organization chart previously discussed, the American Council of Learned Societies is the first group listed under the "Clearing House" designation. One of the constituent societies of this Council is the American Historical Society and it is separately shown as such because it has a most prominent role in our investigation. Under this association was formed a Commission on Social Studies. Its plans and objectives can be most fairly stated by quoting from the official report of the association. The following statement appears on page 47 of the annual report of this association:

> The study advocated is to comprise a collection of general statistical information, the determination of specific objectives, the organization of content, in the light of these objectives for teaching purposes, the methods of instruction and testing and of the preparation of teachers. An extensive personnel and 5 years of work were required by this plan. Means for its execution are now being sought.

The idea just expressed originated in a report in 1926 by a Committee of History and Other Studies in the Schools.

The "means" for the execution of the plan were supplied by the Carnegie Corp. In a series of six annual grants extending from 1928 to 1933, inclusive, this foundation supplied a total sum of $340,000 to the American Historical Association for the use of the Commission on Social Studies formed to carry out the recommendations of the Committee on History and Other Studies in the Schools.

As finally completed, the report of this committee was published in 16 separate sections. The 16th and final volume of the report was published by Scribners in May 1934. It is entitled, "Report of the Commission on the Social Studies—Conclusions and Recommendations of the Commission."

It is with this final volume of conclusions and recommendations that the staff committee is concerned. It covers a tremendous field of recommendation and application actively in process as of this day. Support for this latter statement will be introduced later.

Much of this last volume is devoted to recommendations of technical moment covering content and teaching technique. These are not pertinent to our problem. Those which do apply to our study of the case are quoted hereafter under the subheadings and paragraph numbers as they appear in the book (pp. 16–20).

CONCLUSIONS AND RECOMMENDATIONS OF THE COMMISSION ON SOCIAL STUDIES

> 8. Under the molding influence of socialized processes of living, drives of technology and science, pressures of changing thought and policy, and disrupting impacts of social disaster there is a notable waning of the once widespread popular faith in economic individualism; and leaders in public affairs, supported by a growing mass of the population, are demanding the introduction into economy of ever wider measures of planning and control.
>
> 9. Cumulative evidence supports the conclusion that, in the United States as in other countries, the age of individualism and laissez faire in economy and government is closing and that a new age of collectivism is emerging.
>
> 10. As to the specific form which this "collectivism," this integration and interdependence, is taking and will take in the future, the evidence at hand is by no means clear or unequivocal. It may involve the limiting or supplanting of private property by public property or it may entail the preservation of pri-

vate property, extended and distributed among the masses. Most likely, it will issue from a process of experimentation and will represent a composite of historic doctrines and social conceptions yet to appear. Almost certainly it will involve a larger measure of compulsory as well as voluntary cooperation of citizens in the conduct of the complex national economy, a corresponding enlargement of the functions of government, and an increasing state intervention in fundamental branches of economy previously left to the individual discretion and initiative—a state intervention that in some instances may be direct and mandatory and in others indirect and facilitative. In any event the commission is convinced by its interpretation of available empirical data that the actually integrating economy of the present day is the forerunner of a consciously integrated society in which individual economic actions and individual property rights will be altered and abridged.

11. The emerging age is particularly an age of transition. It is marked by numerous and severe tensions arising out of the conflict between the actual trend toward integrated economy and society, on the one side, and the traditional practices, dispositions, ideas, and institutional arrangements inherited from the passing age of individualism, on the other. In all the recommendations that follow the transitional character of the present epoch is recognized.

12. Underlying and illustrative of these tensions are privation in the midst of plenty, violations of fiduciary trust, gross inequalities in income and wealth, widespread racketeering and banditry, wasteful use of natural resources, unbalanced distribution and organization of labor and leisure, the harnessing of science to individualism in business enterprise, the artificiality of political boundaries and divisions, the subjection of public welfare to the egoism of private interests, the maladjustment of production and consumption, persistent tendencies toward economic instability, disproportionate growth of debt and property claims in relation to production, deliberate destruction of goods and withdrawal of efficiency from production, accelerating tempo of panics, crises, and depressions attended by ever-wider destruction of capital and demoralization of labor, struggles among nations for markets and raw materials leading to international conflicts and wars.

13. If historical knowledge is any guide, these tensions, accompanied by oscillations in popular opinion, public policy, and the fortunes of the struggle for power, will continue until some approximate adjustment is made between social thought, social practice, and economic realities, or until society, exhausted by the conflict and at the end of its spiritual and inventive resources, sinks back into a more primitive order of economy and life. Such is the long-run view of social development in general, and of American life in particular, which must form the background for any educational program designed to prepare either children or adults for their coming trials, opportunities, and responsibilities.

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D. CHOICES DEEMED POSSIBLE AND DESIRABLE

1. Within the limits of the broad trend toward social integration the possible forms of economic and political life are many and varied, involving wide differences in modes of distributing wealth, income, and cultural opportunity, embracing various conceptions of the State and of the rights, duties, and privileges of the ordinary citizen, and representing the most diverse ideals concerning the relations of sexes, classes, religions, nations, and races * * *

THE REDISTRIBUTION OF POWER

1. If the teacher is to achieve these conditions of improved status and thus free the school from the domination of special interests and convert it into a truly enlightening force in society, there must be a redistribution of power in the general conduct of education—the board of education will have to be made more representative, the administration of the school will have to be conceived more broadly and the teaching profession as a whole will have to organize, develop a theory of its social function and create certain instrumentalities indispensable to the realization of its aims.

2. The ordinary board of education in the United States, with the exception of the rural district board, is composed for the most part of business and professional men; the ordinary rural district board is composed almost altogether of landholders. In the former case the board is not fully representative of the supporting population and thus tends to impose upon the school the social ideas

of a special class; in both instances its membership is apt to be peculiarly rooted in the economic individualism of the 19th century.

3. If the board of education is to support a school program conceived in terms of the general welfare and adjusted to the needs of an epoch marked by transition to some form of socialized economy, it should include in its membership adequate representation of points of view other than those of private business.

4. With the expansion of education and the growth of large school systems, involving the coordination of the efforts of tens, hundreds and even thousands of professional workers and the expenditure of vast sums of money on grounds, buildings and equipment, the function of administration has become increasingly important and indispensable.

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APPENDIX A—NEXT STEPS

1. The commission has, for reasons already given, rejected the idea that there is one unequivocal body of subject matter, one unequivocal organization of materials, and one unequivocal method of teaching which, when combined, will guarantee the realization in instruction of the broad purposes set forth above. It was not instructed to provide a detailed syllabus and set of textbooks to be imposed on the school system of the country. Had it been so instructed it would have found the mandate incompatible with its fundamental conclusion that the frame of reference is the primary consideration and that many methods of organizing materials and teaching are possible and desirable within the accepted frame.

2. However, the commission is mindful of the proper and practical question: What are the next steps? It indicates, therefore, the lines along which attacks can and will be made on the problem of applying its conclusions with respect to instruction in the social sciences.

3. As often repeated, the first step is to awaken and consolidate leadership around the philosophy and purpose of education herein expounded—leadership among administrators, teachers, boards of trustees, college and normal school presidents—thinkers and workers in every field of education and the social sciences. Signs of such an awakening and consolidation of leadership are already abundantly evident: in the resolutions on instruction in the social sciences adopted in 1933 by the department of superintendence of the National Education Association at Minneapolis and by the association itself at Chicago; in the activities of the United States Commissioner of Education during the past few years; and in almost every local or national meeting of representatives of the teaching profession.

4. The American Historical Association, in cooperation with the National Council on the Social Studies, has arranged to take over The Historical Outlook [1] (a journal for social-science teachers), has appointed a board of editors chosen in part from the members of this commission, and has selected for the post of managing editor, W. G. Kimmel, who has been associated with this commission as executive secretary for 5 years and is thoroughly conversant with its work and its conclusions. The purpose of the Outlook under the new management will be to supply current materials, to encourage experimentation in the organization of materials, to stimulate thought and experimentation among teachers and schools, to report projects and results of experimentation, and generally to furnish as rapidly as possible various programs of instruction organized within the frame of reference outlined by the commission.

5. The writers of textbooks may be expected to revamp and rewrite their old works in accordance with this frame of reference and new writers in the field of the social sciences will undoubtedly attack the central problem here conceived, bringing varied talents and methods and arts to bear upon it. Thus the evil effects of any stereotype may be avoided.

6. Makers of programs in the social sciences in cities, towns, and States may be expected to evaluate the findings and conclusions of this report and to recast existing syllabi and schemes of instruction in accordance with their judgment respecting the new situation.

7. If the findings and conclusions of this commission are really pertinent to the educational requirements of the age, then colleges and universities offering courses of instruction for teachers will review their current programs and provide for prospective teachers courses of instruction in general harmony with the commission's frame of reference.

[1] Hereafter to be called The Social Studies

8. The same may be said of special institutions for the training of teachers. It is not too much to expect in the near future a decided shift in emphasis from the mechanics and techniques of methodology to the content and function of courses in the social sciences, thus guaranteeing a supply of teachers more competent to carry out the philosophy and purpose here presented.

9. A similar transfer of emphasis may be expected in the field of educational journalism, resulting in a consideration, criticism, and application of the fundamental philosophy of education formulated in this volume.

10. If the present report aids in bringing about a persistent concentration of thought on the central issues, findings, and conclusions of the commission, it will help to clear up the confusion now so prevalent in the educational world and give direction to powers now wasted in formalistic debates on methods and techniques.

11. In fine, the commission has felt bound, by the terms of its instructions and the nature of the subject entrusted to its consideration, to provide a frame of reference for the orientation of philosophy and purpose in education, rather than a bill of minute specifications for guidance. In so doing, it is convinced that unless the spirit is understood and appreciated any formulation of the latter will hamper rather than facilitate the fulfillment of the commission's offering.

It would seem that the nature of these conclusions and recommendations is expressed with sufficient clarity and force to need no further interpretation from us. It will be important, however, to show how these ideas have been put into operation and are in operation today as far as it has proven possible of accomplishment. It is our plan through the introduction of documented evidence from various authoritative sources to show how these recommendations have been channeled through the activities in education and government. While the trails criss-cross and are somewhat devious we shall try as far as is feasible to analyze the trend in education first and to follow with a similar effort in government.

Before undertaking this, it should be of interest to quote from the record to show the appraisal by the Carnegie Corp. itself of the product for which they had granted the considerable sum of $340,000. We find no word of criticism or dissent in the following statement which appears on page 28 of the annual report of the president and the treasurer of the Carnegie Corp. of New York for 1933–34.

The conclusions and recommendations of the commission on the social studies appointed by the American Historical Association appeared in May, 1934. That the findings were not unanimously supported within the commission itself, and that they are already the subject of vigorous debate outside it, does not detract from their importance, and both the educational world and the public at large owe a debt of gratitude both to the association for having sponsored this important and timely study in a field of peculiar difficulty, and to the distinguished men and women who served upon the commission. The complete report of the committee will comprise 16 volumes, a list of which will be found in the appendix, page 67.

A somewhat different and more descriptive appraisal of this report is offered by Dr. Ernest Victor Hollis, in his book entitled, "Philanthropic Foundations and Higher Education." Doctor Hollis is Chief of college administration in the United States Office of Education, Washington, D. C.

The following statement is quoted from page 61 of this book:

Today they (the foundations) have a vital part in practically every type of progressive educational experiment under way in America. Possibly there has been no more radical and forward-looking study of the American scene than is presented in the sixteen-volume report of the Social Studies Commission of the American Historical Association which was begun in 1927 and very recently completed. The report demands a radical change in many of the major premises underlying our social, economic, and cultural life.

Another comment of interest regarding this report is quoted from "The Turning of the Tides", part II, by Paul W. Shafer, Member of Congress, page 30.[2] This was published in 1953.

A strategic wedge was driven in 1934 following the conclusions and recommendations of the American Historical Association's commission on social studies. Its point of entry was adroitly chosen. The commission proposed to consolidate the traditional high school subjects of geography, economics, sociology, political science, civics and history, into a single category designated as the social studies. Here was the most strategic of all teaching areas for the advancement of a particular philosophy.

Success in enlisting teachers in this field in the cause of a new social order would have an influence out of all proportion to the number of teachers involved.

What this all meant was summed up by Prof. Harold J. Laski, philosopher of British socialism. He stated:

"At bottom, and stripped of its carefully neutral phrases, the report is an educational program for a socialist America."

EVALUATION OF THE EVIDENCE

Before undertaking a more detailed analysis of the influences working in the educational world, we wish to say emphatically and to have it understood clearly that our evidence is not directed toward nor does it indict our large educational staff, the hundreds of thousands of teachers and supervisors whose merit and loyalty are beyond all question. Let no one overlook this.

We are differentiating between this widely distributed educational staff and the top level centers of influence in which educational plans and policies are formulated.

There is in every operating unit, be it factory, office, union, council, or association a method or fashion of work that is determined by policies originating at the top. Were it not so, the organization would soon disintegrate. So it is in the world of education and government.

Perhaps, as this pertains to the field of education, the principle and its application can be well illustrated by quotation from some observations by the Ford Foundation. These quotations, as will be noted, emphasize the importance of concentrated effort for maximum results.

From the Fund for Advancement of Education, annual report 1951–52, page 6:

In an effort to be useful at too many points in the whole system of education it could easily fall into what an early officer of the Rockefeller Foundation called "scatteration giving" and thus fail to be of any real value to education anywhere. *Given limited resources, selection was inevitable. Given a desire to be of maximum usefulness, concentration was essential.*

Referring to a survey on military education (p. 24):

This survey made clear that the effectiveness of educational work in any military location depends very largely on the degree of importance which the commanding officer attaches to it and the interest and competence of the officers conducting it. It seemed clear, therefore, that the preparation of officers to assume responsibility for education in the military services was *the key to effectiveness of orientation programs. The fund plans, therefore upon request from the Office of Defense, to support pilot projects for introducing into the programs of ROTC units substantial preparation for leadership in the kind of education appropriate in the military forces of a democracy.*

[2] See also Congressional Record, March 21, 1952.

From the report on the Behavioral Sciences Division of the Ford Foundation—June 1953 (p. 24):

Accepting the diagnosis of a leading figure in the field—that *"training of a moderate number of first-rate people is in the present juncture far more urgent than that of a large number of merely competent people."* The division took as a first step the development of plans for what came to be known as the Center for Advanced Study in the Behavioral Sciences.

Page 28:

In sum, then, the Foundation's hope and expectation is significantly to advance the behavioral sciences—*to get farther faster*—through the temporary *concentration at one place* of the ablest scholars and the most promising younger people studying together in the most effective way that the state of the field now permits.

(Note.—All emphasis supplied.)

While we have noticed other references of similar nature and import in various places, there should be sufficient to support our view that the pattern is determined at the top. It is also obvious on slight consideration that in education as in government, the most effective megaphones and channels of communication are centralized in the same places. These thoughts should be kept in mind in the evaluation of the evidence as it will be presented.

There is another point for consideration that bears upon the excerpts which will be quoted later. Criticism is frequently made about distortion of meaning by lifting such quotations from context. This is sometimes true. In this case a consistent effort has been made to avoid such distortion and we believe we have succeeded. In any event full reference as to source is given and anyone who wishes to criticize may have access to the complete text if he wishes to be right before he comments. Furthermore, the confirming similarities of so many quotations from various sources should clearly mark the paths they follow.

Attention should be called to still another significant factor in this situation. It is the fact that most of the information submitted in these quotations appears and is available only in professional publications whose circulation is largely confined to those engaged in these professions. This results naturally in two things: One, the coordinated effectiveness within the professional groups is increased; two, relatively few of the citizenry outside these professional circles have any means of knowing what is developing and therefore of organizing any protest against it. In fact much of the meaning of some articles would be obscure to the average citizen because of the subtle approach and highly technical vocabulary.

This closely channeled flow of information should also be a concern of the trustees of the foundations. Men of unquestioned competence and integrity must often be selected as trustees for their proficiency and prestige in their chosen lines of work. They have little time in their busy lives for studious attention to the developments in the highly professional fields bearing little direct relation to their own responsibilities. If this be true, the problem posed should be searched for a solution.

THE AGE OF TRANSITION—LAISSEZ FAIRE IS CLOSING

In proceeding with an analysis of the application of the conclusions and recommendations of the Commission on Social Studies as

they specifically pertain to education, we wish to call attention to the emphasis given to the alleged transitional character of the present period. In addition to the previous quotations, the following excerpts also tend to confirm these views.

Page 647:

A dying laissez faire must be completely destroyed and all of us, including the "owners" must be subjected to a large degree of social control. A large section of our discussion group, accepting the conclusions of distinguished students, maintain that in our fragile, interdependent society the credit agencies, the basic industries and utilities cannot be centrally planned and operated under private ownership.

That is from Education for the New America, by Williard E. Givens, in the proceedings of the 72d annual meeting of the National Education Association.

Mr. Givens was executive secretary of the National Education Association from 1935 to 1952. At the 79th annual convention of the American Association of School Administrators held February 14–19, 1953, at Atlantic City, N. J., the annual American education award was presented to Mr. Givens, "whose many contributions to the field of education are without parallel."

Page 125:

The days of little-restricted laissez faire, the days when government was looked upon as a necessary evil—these have gone for a long time, perhaps forever, although in the mutations of time one never knows what forms may recur.

"On the Agenda of Democracy," by C. E. Merriam, vice chairman, National Resources Planning Board, Harvard University Press, 1941.

EDUCATIONAL LEADERSHIP IN THE AGE OF TRANSITION

We find that the responsibilities of the leaders and teachers in the world of education are especially emphasized during this age of transition, as demonstrated in the final report, 16th volume, of the Commission on Social Studies as previously quoted on page 15.

In the midforties, the President appointed a Commission on Higher Education. Their conclusions and recommendations were reported in a series of six pamphlets in December 1947. Mr. George F. Zook, president of the American Council of Learned Societies, was chairman of this Commission.

In the Commission's reports they gave credit to the following organizations for aid received: American Council of Learned Societies, American Council on Education, National Research Council, Social Science Research Council, American Association of University Professors, and Association of Land Grant Colleges and Universities.

The following quotations are taken from the pages indicated in volume I of the Report of the President's Commission on Higher Education:

Page 6:

Education: Perhaps its most important role is to serve as an instrument of social transition, and its responsibilities are defined in terms of the kind of civilization society hopes to build.

Page 84:

Higher education must be alert to anticipate new social and economic needs, and to keep its programs of professional training in step with the requirements of a changing and expanding cultural, social, and economic order.

Page 85:

Social forces have modified and are continuing to modify at an increasingly rapid rate, the context within which graduate schools must function, and readjustments of a fundamental nature are urgently necessary if these university units are not to block rather than advance the progress of education—and, through education, of the Nation.

With all the emphasis placed upon this age of transition and education's important part in it as typified by the foregoing quotations, and since we are deluged with the idea that change itself is progress, a note of interest is struck by another thought. It is that perhaps this agitation for and about change is only a temporary means to a different end—one of unchanging stability when certain objectives are reached.

As far in the past as 1918, the Intercollegiate Socialist for October-November 1918 published an article entitled, "The Minimum of Education," by Ellen Hayes. The ensuing quotation is the opening paragraph in that article:

Assuming the surplus wealth secured to the public for social purposes, how can a fraction of it be used educationally to promote and stabilize the common good; and to this end, what is the irreducible minimum of education which must be guaranteed to every member of the national commonwealth?

Volume I of the Report of the President's Commission on Higher Education also includes additional interesting comments:

Page 6:

The efforts of individual institutions, local communities, the several states, the educational foundations and associations, the Federal Government will be more effective if they are directed toward the same general ends.

Page 16:

PREPARATION FOR WORLD CITIZENSHIP

In speed of transportation and communication and in economic interdependence, the nations of the globe are already one world; the task is to secure recognition and acceptance of this oneness in the thinking of the people, as that the concept of one world may be realized psychologically, socially and in good time politically.

It is this task in particular that challenges our scholars and teachers to lead the way toward a new way of thinking.

Page 20:

There is an urgent need for a program for world citizenship that can be made a part of every person's general education.

Page 21:

It will take social science and social engineering to solve the problems of human relations. Our people must learn to respect the need for special knowledge and technical training in this field as they have come to defer to the expert in physics, chemistry, medicine, and other sciences.

Page 22:

The colleges and universities, the philanthropic foundations, and the Federal Government should not be tempted by the prestige of natural science and its immediately tangible results into giving it a disproportionate emphasis in research budgets or in teaching programs. It is the peculiar responsibilty of the colleges to train personnel and inaugurat extensive programs of research in social science and technology. To the extent that they have neglected this function in the past, they should concentrate upon it in the decades just ahead.

Page 23:

Colleges must accelerate the normal slow rate of social change which the educational system reflects; we need to find ways quickly of making the under-

standing and vision of our most farsighted and sensitive citizens the common possession of all our people.

Pages 38 and 39:

Educational programs everywhere should be aimed at undermining and eventually eliminating the attitudes that are responsible for discrimination and segregation—at creating instead attitudes that will make education freely available to all.

Page 91:

The detached, perceptive scholar, is still sorely needed—in increasing numbers and in all disciplines. But if higher education is to discharge its social obligations, scholars also are needed who have a passionate concern for human betterment, for the improvement of social conditions, and of relations among men. We need men in education who can apply at the point of social action what the social scientist has discovered regarding the laws of human behavior.

Page 92:

It will be a little short of tragic if provision for social research is not included in the program of Federal support and organization planned under a National Science Foundation. Certainly the destiny of mankind today rests as much with the social sciences as with the natural sciences.

One of the members of the President's Commission on Higher Education was Horace M. Kallen who for years has been active in the educational field.

In the issue of Progressive Education for January–February, 1934, in an article called, Can We Be Saved by Indoctrination? Mr. Kallen says on the pages noted:

Page 55:

I find, within the babel of plans and plots against the evils of our times, one only which does not merely repeat the past but varies from it. This is a proposal that the country's pedagogues shall undertake to establish themselves as the country's saviors. It appears in two pamphlets. The first is a challenge to teachers entitled, "Dare the Schools Build a New Social Order?" Its author is George Counts. The second is, "A Call to the Teachers of the Nation."

Page 56:

With an imagination unparalleled among the saviors of civilization, with a faith stronger than every doubt and an earnestness overruling all irony, Mr. Counts suggests that the Great Revolution might be better accomplished and the Great Happiness more quickly established if the teachers rather than the proletarians seized power.

Having taken power, the teachers must use it to attain the "central purpose" of realizing the "American Dream." They must operate education as the instrument of social regeneration. This consists of inculcating right doctrine.

The milder Call says:

Teachers cannot evade the responsibility of participating actively in the task of reconstituting the democratic tradition and of thus working positively toward a new society.

The references to Mr. George Counts in the foregoing excerpts naturally bring to mind Teachers College of Columbia University and its group of contemporary professors, John Dewey, W. H. Kilpatrick, George Counts, and Harold Rugg, all identified actively for many years with educational organizations and activities of one form or another.

One of the students who graduated from Teachers College is Norman Woelfel. After attending State Normal School in Buffalo, N. Y., he entered Teachers College of Columbia University where he received his bachelor of science degree in 1923, his master of arts in 1924. After further work in study and teaching at other institutions including Johns Hopkins, he returned to Teachers College and in 1933, at the mature age of 38 years, received his degree of doctor of philosophy. His doctoral dissertation was entitled: "A critical review of the social attitudes of 17 leaders in American education."

At this point we wish to make it emphatically clear that we know of no grants from any foundation in the prosecution of this work. Other connections will be reviewed later that identify Mr. Woelfel with educational activities in a similar field.

This doctoral thesis, of which a copy is on file in the Congressional Library, was published as a book by the Columbia University Press under the title, "Molders of the American Mind." At least three printings were made which indicates a good circulation. It is based upon a review of social attitudes of 17 leaders in American education. The following excerpts are taken from the pages indicated.

The dedicatory page:

To the teachers of America, active sharers in the building of attitudes, may they collectively choose a destiny which honors only productive labor and promotes the ascendency of the common man over the forces that make possible an economy of plenty.

Page 10:

The younger generation is on its own and the last thing that would interest modern youth is the salvaging of the Christian tradition. The environmental controls which technologists have achieved, and the operations by means of which workers earn their livelihood, need no aid or sanction from God nor any blessing from the church.

Page 26:

The influence which may prove most effective in promoting the demise of private business as the dominant force in American economic life is the modern racketeer. His activities are constantly in the spotlight of public attention, and the logic upon which he pursues them is the logic of competitive business. He carries the main principles of the business life to their logical extreme and demonstrates their essential absurdity. Like the businessman he is interested in gain, and like the businessman he believes in doing the least to get the most, in buying cheap and selling dear. Like the businessman he believes in attaining a monopoly by cornering the market whenever possible. The chief difference between the racketeer and the businessman is that the businessman's pursuits have about them an air of respectability given by customary usage and established law. He may pursue them in the open, advertise them in the public press and over the radio, whereas the racketeer must work undercover.

Page 240:

In the minds of the men who think experimentally, America is conceived as having a destiny which bursts the all too obvious limitations of Christian religious sanctions and of capitalistic profit economy.

From the vantage point of the present study, the following objectives for educators are suggested. They, in no sense, purport to be all-comprehensive or final. They do, however, lay claim to be along the line of much needed strategy if educational workers are to play any important part in the society which is building in America.

1. The maturing of personal viewpoint by reading and discussion, by scrutiny of contemporary civilization, and by self-examination.

2. A continuing effort to clarify the vision of an educator's function in American civilization. In what degree does he carry the responsibility for controlled social evolution? To what extent is he more than a mere public servant engaged in carrying out orders issued by executives?

3. The blotting out of the "brass halo" which teachers have long suffered under. This means a will not to be affected by the slushy epithets of public apologists for existing social institutions and a will to assist youth constantly towards ready discernment of apologetics in any form.

4. Immersion into the budding native culture by steady enlargement and cultivation of professional and nonprofessional cultural opportunities available in the social environment. This is really the highest obligation of an intelligent teacher, because the value of any form of specialized professional endeavor can be gaged only by reference to the extent and depth of the individual's participation in, and appreciation of, existing social life.

5. Active participation by educators and teachers in various organizations of the lay public agitating for social reforms whose realization would be in harmony with evolving ideals of American society.

6. The thoroughgoing renovation of existing professional organizations of educators so that in aim and principle they shall be intelligently militant in criticism of all vested interests in society and similarly militant in support of evolving modern standards of value in all fields of human interest.

7. Amalgamation of existing professional educational organizations for the purpose of united action on all questions of broad social import at anytime before the public anywhere in the land.

8. Promotion of the spiritual solidarity of all classes of intellectuals in the interest of enlightening and possibly of guiding inevitable future mass movements within the population.

9. Active participation of individual educators and of professional organizations of educators in the gradually crystallizing public effort to create out of prevailing chaos and confusion in economic, political, spiritual, ethical, and artistic realms a culture which is under no continuing obligations to past American or foreign cultural pattern.

10. A teacher-training program conceived in the light of the changing aims and functions of education in contemporary America. This implies the critical reexamination of all established precedents in teacher-training organization.

11. A system of school administration constructed under the guidance of experimental social philosophy with the major aim of meeting the professional needs of teachers. This implies relegating the elaborate administrative technology modeled after business practice and capitalistic finance to the background where it may be drawn upon when needed in reconstruction programs.

12. The attitude of creative inquiry to be clearly recognized as essential in all people of the teaching profession. The trained specialists and the elaborate scientific technology of educational research, as conceived at present, to be made available as supplementary service agencies in the solution of the actual problems of teaching.

13. The incorporation of graduate and undergraduate schools of education into a general plan of public education, so that their resources in experts and in experimental facilities may be used effectively in continuing educational reconstruction.

14. A program of public elementary and secondary education organized in the interest of collective ideals and emphasizing the attainment of economic equality as fundamental to the detailed determination of more broadly cultural aims.

15. Centralized organization in public education to an extent which will not only guarantee provision of the most valid knowledge together with adequate facilities for incorporating it into educational practice in every local community throughout the country, but promote as well the construction of attitudes, in the populace, conducive to enlightened reconstruction of social institutions.

16. A program of public vocational, professional, and higher education integrally organized in terms of a social order wherein all natural resources and the entire industrial structure is controlled by governmental agencies and operated for the equal benefit of all. This portends educational planning in terms of broadly cultural and creative motives and the final disappearance of programs of education based upon the motive of individual monetary success.

17. Gradual amalgamation of all cultural forces in community life, including industry, radio, motion pictures, newspapers, libraries, art galleries and museums, the theater, the opera, musical organizations, book publication, and the school itself into an educational program as wide and as continuous as life.

18. Such autonomy for every classroom teacher, from the nursery school through the university as accords with true artistic integrity. This implies that teachers shall be answerable for their professional conduct to their own professional organizations which, in turn, shall be fully responsible to the public.

19. The abolition of the present supervisory system in public education and its replacement by higher professional qualifications for teachers and by public teacher service bureaus equipped to continue on a voluntary basis the in-service education of teachers.

20. Gradual abolition of specified grades, subjects, textbooks, testing, and promotion schemes as conceived under the present administrative-supervisory set-up in public education. The development of a series of flexible organizational schemes and teaching programs by local faculties under the guidance and sanction of professional associations and of the lay public.

21. Domination of all specific teaching aims for an indefinite period by the general aim of rendering the attitudes of all normal individuals toward all the problems of life sufficiently tentative to allow for growth and change.

22. Determination of all directly functional teaching aims in and during the educational process by reference to the needs and possibilities of pupils as determined by professionally qualified and socially conscious teachers.

The value of these extended excerpts might be questioned in this case were it not for the fact that so many of the suggestions conveyed in the foregoing paragraphs have their counterparts on the other side of the triangle in the field of governmental planning for the Nation.

In the January-February issue of the magazine, Progressive Education in 1934, there appeared an article called "The Educator, The New Deal, and Revolution," by Normal Woelfel. On the pages noted, the following statements appeared in this article.

Page 11:

The call now is for the utmost capitalization of the discontent manifest among teachers for the benefit of revolutionary social goals. This means that all available energies of radically inclined leaders within the profession should be directed toward the building of a united radical front. Warm collectivistic sentiment and intelligent vision, propagated in clever and undisturbing manner by a few individual leaders, no longer suits the occasion.

I would like to pause to call attention again to the phrase "in clever and undisturbing manner by a few individual leaders, no longer suits the occasion."

Page 12:

If we wish the intelligent utilization of the marvelous natural resources and the superb productive machinery which America possesses, for all of the people, with common privileges, and an equal chance to all for the realization of exclusively human potentialities—that is possible, although we must not blindly shrink from the fact that it may require some use of force against those at present privileged.

I wish to state here that these quotations just given, as previously said, are from the magazine Progressive Education, a publication of the Progressive Education Association which has received at least $4,258,000 from the foundations.

In October of 1934, the first issue of a new magazine appeared, entitled, "The Social Frontier." It was described as "A Journal of Educational Criticism and Reconstruction." George S. Counts was the editor and Mordecai Grossman and Norman Woelfel were the associate editors.

The first pages were devoted to editorials which were unsigned. There follows hereafter a copy of the material appearing on the cover page and after that excerpts from the editorials named on the pages noted.

Quoting the cover page we have:

THE SOCIAL FRONTIER—A JOURNAL OF EDUCATIONAL CRITICISM AND RECONSTRUCTION

1776

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness (the Declaration of Independence).

1934

The age of individualism and laissez faire in economy and government is closing and a new age of collectivism is emerging (Report of the Commission on Social Studies of the American Historical Association).

In this issue: John Dewey, Charles A. Beard, Henry P. Fairchild, Sidney Hook, Goodwin Watson.

Volume I—October 1934—No. I—$2 a year

Now quoting from page 3, Orientation:

In a word, for the American people, the age of individualism in economy is closing and an age of collectivism is opening. Here is the central and dominating reality in the present epoch.

Page 5, Educating for Tomorrow:

To enable the school to participate in raising the level of American life the educational profession must win meaningful academic freedom, not merely the freedom for individuals to teach this or that, but the freedom of the teaching profession to utilize education in shaping the society of tomorrow.

Mr. HAYS. Mr. McNiece, I have a question right there. Does that magazine still exist?

Mr. MCNIECE. It ran for quite awhile, and the name of the association itself was changed subsequent to this. Then I was informed only yesterday, and I haven't had time to look it up, it was converted back to its original name. So far as the continuation of the magazine itself is concerned, I would have to check that.

Mr. HAYS. Well, if you have time during the lunch hour, would you check that?

The reason I interrupted you, I wanted you to do that for this afternoon.

Mr. MCNIECE. We will try to do that.

Now, on page 7, there is an editorial called The Ives Law:

> On August 10, 1934, Governor Lehman of New York signed the Ives bill. * * * According to the provisions of the law, every professor, instructor, or teacher employed in any school, college, or university in the State must subscribe to the following oath or affirmation: "I do solemnly swear (or affirm) that I will support the Constitution of the United States and the constitution of the State of New York, and that I will faithfully discharge, according to the best of my ability, the duties of the position to which I am now assigned."
>
> The reaction of teachers to such a governmental measure is naturally one of resentment.

Page 8, The Ives Law:

> There is grave danger that the new law will have the effects desired by its sponsors, not however, because of any restrictions inherent in the oath itself but rather because of the traditional timidity and ignorance of teachers. Yet forward-looking members of the profession can find in this oath a direct mandate for broad participation in the alteration of the now existing pattern of American society.

Quoting again from Educating for Tomorrow, page 7:

> The task of enlarging the role of education in shaping the future of our collective life cannot be accomplished by individual educators nor by individual institutions. It is a task for an organized profession as a whole. It is a task which the NEA might make its central project.

Page 7, Educating for Tomorrow:

> We submit to the membership of the NEA that its role in the life of the nation would be greatly enhanced if it identified itself with an ideal of social living which alone can bring the social crisis to a happy resolution—a collectivistic and classless society. We further submit that the effectiveness of the NEA would be greatly increased if instead of looking for defenders of education among the ranks of conservative groups, it would identify itself with the underprivileged classes who are the real beneficiaries of public education and who can find their adjustment only in a radically democratic social order.

It is interesting to note that Norman Woelfel, then an associate editor of the Social Frontier, who is now professor of education at Ohio State University, is now actively participating in the activities of the National Education Association.

Mr. HAYS. Just a moment, you say you are talking about Woelfel now?

Mr. MCNIECE. Yes.

Mr. HAYS. And he is at Ohio State and he is a member of the NEA, too?

Mr. MCNIECE. According to the NEA booklet.

Mr. HAYS. How subversive can you get?

Mr. MCNIECE. One of the departments of NEA is the Association for Supervision and Curriculum Development. This association recently issued its yearbook for 1953 under the title "Forces Affect-

ing American Education." Professor Woelfel was a member of the supervising committee responsible for the creation of this work.

Under the caption Culture Affecting Education the following statements appear, and this is in 1953:

Page 27:

Teachers in our schools have an immediate responsibility to their students and to the community at large to rethink their programs in terms of the necessity of social adaptation to changing technology.

Page 27:

We began our government with the rule of law—the Constitution. The federal judicial system has become its special guardian. Over the years there has been a gradual modification of the principle of property rights and of public welfare.

An illustration of a fundamental transition which is affecting our lives is the modification of the old concept of the common law. The common law in America, which is merely English law built up through decisions of the courts, has been individualistic. It has stressed protection of property and freedom of contract. Where the welfare of society has been concerned, the common law has been assumed to be sufficient to effect this through the individual. The rationale has been liberty rather than either equality or fraternity.

This trend toward a balance between the welfare of the individual and the welfare of society is in conflict with earlier assumptions. It is a trend which we cannot ignore. It presents fundamental problems for education in modern society.

Pages 36–37:

There are tensions and overt conflicts in our present society over the functions and methods of education. Men who are established at the pinnacle of success in the typical American conception can and sometimes do find themselves more interested in shaping society according to their own wishes, through the public schools, than in conforming to society's newer demands for free intelligence. The very power of their positions makes them formidable foes of any conception of education for all the people that is in conflict with their special convictions.

Through the strength of our success patterns it is quite possible for men whose lives are wholly unrelated to the process of education to come to power and to assume the role of determining what should be taught and how it should be taught. The professional educator whose business it is to know both the process and the method is not always a match for such opposition. But we should not forget that many other men, who are also at the pinnacle of success, are the firmest defenders of the public schools and the method of intelligence. In recent years, the public schools have received excellent support from just such persons. Throughout the years, such men have established foundations for the advancement of education and culture.

Directly or indirectly, the NEA is identified with an interesting situation involving an article recently published by Look magazine. In this issue of this magazine of March 9, 1954, an article by Robert M. Hutchins was published under the title "Are Our Teachers Afraid to Teach?" The opening statements in this article are as follows:

Education is impossible in many parts of the United States today because free inquiry and free discussion are impossible. In these communities, the teacher of economics, history or political science cannot teach. Even the teacher of literature must be careful. Didn't a member of Indiana's Text Book Commission call Robin Hood subversive?

The National Education Association studied no less than 522 school systems, covering every section of the United States, and came to the conclusion that American teachers today are reluctant to consider "controversial issues."

This article and the statement quoted above were of interest to us. A letter was therefore written to the NEA asking for information about the report on the 522 school systems. The letter in reply to our request is quoted herewith, together with our letter which preceded it.

MARCH 19, 1954.

Mr. FRANK W. HUBBARD,
Director of Research, National Education Association, Washington, D. C.

DEAR MR. HUBBARD: In an article in Look magazine of March 9, 1954, Mr. Robert M. Hutchins refers to a survey made by your association.

He reports that this survey came to the conclusion that teachers of economics, history and political sciences in 522 school systems, covering every section of the United States, are reluctant to consider controversial issues in their teaching.

This statement suggests the possibility of a serious handicap to education. We want to evaluate your report so that we may learn the nature of the fears to which Mr. Hutchins refers in this article.

Your report will offer us a welcome contribution to our understanding of the nature of the services rendered by your tax exempt organization to education.

With thanks for your attention,
Very truly yours,

NORMAN DODD,
Research Director.

I will now quote the reply:

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES,
Washington 6, D. C., March 24, 1954.

Mr. NORMAN DODD,
Research Director, Special Committee to Investigate Tax Exempt Foundations, House of Representatives,
Washington 25, D. C.

DEAR MR. DODD: In reply to your letter of March 19, I am sending you a copy of the report prepared by the NEA research division in June 1953 for the NEA committee on tenure and academic freedom. This report has never been printed or issued in any form other than the enclosed typewritten form.

So far as I know Mr. Hutchins did not have a copy of this typed memorandum, altho he may have borrowed one from someone who received a copy. A few typewritten copies have been sent to members of the committee on tenure and academic freedom and to a few other individuals who have written asking for copies. It is possible that Mr. Hutchins drew his information from the newspaper stories which were issued from Miami Beach during the summer of 1953 as a result of a press conference on this report. At any rate, I am not sure that Mr. Hutchins' conclusions would be exactly those of the NEA research division or of the NEA committee on tenure and academic freedom.

Cordially yours,

FRANK W. HUBBARD,
Director, Research Division.

Inference from this letter seems reasonably clear. Careful reading by the staff failed to disclose any basis for the conclusion reached by Mr. Hutchins.

Regardless of the letter quoted, the NEA had many reprints of this article. The mere existence of these reprints suggests that they must have been intended for distribution to interested parties. Whether or not they have been or are being distributed, we do not know.

We also wonder how many educators would support the concluding line of Dr. Hutchins' article:

No country ever needed education more than ours does today.

The CHAIRMAN. It is now noon. Did I understand you to say at the beginning, Mr. Koch, there is another part to follow that is to be presented this afternoon?

Mr. KOCH. Will that other part be ready?

Mr. MCNIECE. It is supposed to be ready this afternoon.

Mr. HAYS. I would like to say, I think that we ought to examine this one before we hear another 50-page report.

Mr. KOCH. It can be treated in that fashion.

The CHAIRMAN. I think that would be the best way.

Mr. MCNIECE. There is no essential continuity to the two papers.

Mr. HAYS. I have a short statement here, of one page, from Senator Douglas, which he has asked that we incorporate into the record immediately following the testimony of Mr. Sargent's reference to him, and I wonder if you would have any objection. If you like I would read it and it will only take a minute.

The CHAIRMAN. You can read it, by all means.

Mr. HAYS. This statement of Senator Douglas, sent to me, says:

Forty years ago when I was a graduate student at Columbia University I was a member and attended some meetings of the Intercollegiate Socialist Society, organized to study social problems, but it was in no sense a political action group. It had no connection with the Socialist Party, of which I have never been a member. The only party to which I have ever belonged is the Democratic Party. The society was purely a study group devoted to the study of socialism and other current problems. I left this organization and was not thereafter active in it.

The League for Industrial Democracy was an outgrowth of the Intercollegiate Society and included many other non-Socialists like myself. I spoke and was somewhat active at the League for Industrial Democracy study sessions for a period.

From the early 1920's on, and after a brief period in the 1930's I had only slight connection with the league's study sessions. I became wholly inactive when I was engaged in helping draft State and Federal legislation to meet the pressing problems of the depression.

Both of these were bona-fide research and discussion groups in the best American tradition. Both organizations included some of the finest persons in the educational field at that time. Both organizations were constructive in their purposes.

This dusting off of old and discredited charges is but another example of Congress' need to pass a code of procedure for guidance of its investigations.

Signed "Paul H. Douglas."

The CHAIRMAN. I see no disadvantage in that going in the record as far as I am concerned. We are glad to have it go in.

Mr. HAYS. I would like to have it in the proper place so it would have some meaning in the context.

The CHAIRMAN. Mr. Sargent, though, and some other interested parties, sent or gathered, from my information, and I presume the committee's, rather extensive quotations from Senator Douglas' book The Coming of the New Party I believe it was entitled; and I don't know whether those should be included at that same place or not.

Mr. HAYS. Well, I wouldn't want to say that they should be without seeing them, and without having Senator Douglas check them to see whether they are authentic or not.

The CHAIRMAN. That can be decided. They seem to be rather pertinent in view of the discussion that came up.

The committee will stand adjourned until 2:30 this afternoon.

(Thereupon, the committee recessed at 12:15 p. m.; to reconvene at 2:30 p. m., the same day.)

AFTER RECESS

(The hearing was resumed at 2:40 p. m.)

The CHAIRMAN. The committee will come to order.

TESTIMONY OF THOMAS M. McNIECE—Resumed

The CHAIRMAN. Mr. McNiece, the committee I am sure is appreciative of the research, comprehensive research and the splendid manner in which you have stated the results of your research, and the impartial, temperate and nice way in which the characterizations have been made.

My personal feeling is that it is a contribution to the subject which we are investigating, and as is the case with all of these presentations by members of the staff or other witnesses, it remains for the committee, in its final deliberations, after all of the hearings have been completed, to evaluate and relate the testimony or information that has been given.

But we are very greatly appreciative. And I want to commend you on your efforts.

Now, we will proceed with the questioning.

Do you have any questions?

Mr. GOODWIN. I have no questions, Mr. Chairman.

The CHAIRMAN. Mrs. Pfost, if you have some questions, Mr. Hays is quite willing to yield to you for your questioning.

Mr. MCNIECE. If I may interject a remark. Mr. Hays asked a question as to whether the magazine Progressive Education is still in publication. The Congressional Library assures us that it is. And they have in their possession the issue for March of 1954.

Mr. KOCH. What is the present title of the magazine?

Mr. MCNIECE. Progressive Education. There has been a shift in the name of the publishers, back and forth, a little bit. The original volume from which we made our quotation says:

> The Progressive Education Association, United States Section of the New Education Fellowship, Washington, D. C.

I understand that the magazine is now published by the American Education Fellowship, New York, N. Y., and there has been a shift of names, back and forth; but I am told that the sponsorship has not changed.

Mrs. PFOST. First of all, Mr. McNiece, I would like to ask you: We were first given this report marked "Confidential" some week or so ago and then a more recent one. Are you the author of this report?

Mr. MCNIECE. Yes. That is the one I read this morning you are referring to.

Mrs. PFOST. You are the author of the one that you read this morning?

Mr. MCNIECE. Yes, that is right.

Mrs. PFOST. In other words, the earlier one you were not the author of. I notice they are quite identical.

Mr. MCNIECE. Oh, no, there is absolutely not a word changed. The only reason for the second issue was that by mistake certain extracts appeared twice.

Mrs. PFOST. There was repetition?

Mr. McNIECE. And in the new issue there is not a word changed except the elimination of the repeated excerpts. That was a mere mistake in arranging the material for typing.

Mrs. PFOST. You did compile the original report yourself, every word of it?

Mr. McNIECE. Every word, yes.

Mrs. PFOST. It is your own composition?

Mr. McNIECE. That is right.

The CHAIRMAN. Do you mean that literally—every word?

Mr. McNIECE. Unless it was a typographical error.

Mr. HAYS. Would you yield to me right there?

Did any other members of the staff, either present members or people who may have been members previously, help you at all with this, Mr. McNiece?

Mr. McNIECE. None, no one.

The CHAIRMAN. I had understood myself that this was Mr. McNiece's project, but I didn't know that he had written every word of it.

Mr. McNIECE. Of course, I didn't write the excerpts, you understand.

The CHAIRMAN. Do you have any other questions?

Mrs. PFOST. I have 2 or 3 little things here that I would like to ask about.

On the old report, owing to the fact that I have had the old report for a greater length of time, I have my marginal notes on the old report. And on page 15 of the old report, which would be somewhere near page 12 or thereabouts of the new report, support for this latter statement, it is under the heading of the report of the Commission on the Social Studies, conclusions and recommendations of the commission, you say:

> Support for this latter statement, will be introduced later.

Now, does that have to do with the new report that we have just been handed?

Mr. McNIECE. I am still trying to find that.

Mr. KOCH. It is on page 11.

Mr. McNIECE. I might state the reason for the page differential is that the first report was turned out in pica type and the second one was turned out in elite type, and so it changed the page numbers.

Mrs. PFOST. I noticed that.

You say:

> It is with this final volume of conclusions and recommendations that the staff committee is concerned. It covers a tremendous field of recommendation and application actively in process as of this day. Support for this latter statement will be introduced later.——

Mr. McNIECE. Yes.

Mrs. PFOST. When did you mean?

Mr. McNIECE. A part of that is in now, and I repeated that this morning, in the subsequent quotations from the various magazines, and from the quotations from some of the National Education Association publications, particularly Forces Affecting American Education, and then some of the support will also appear in a later section which, as I pointed out this morning, concerns the relationship as shown on that chart between foundations and government.

Mrs. PFOST. Now, I wanted to ask you, on these letters that you have given here, Mr. McNiece, the Hubbard and the Dodd letters, just what was your reason and what do you feel that those prove—those letters?

Mr. MCNIECE. Well, the letters only prove that we were interested in Mr. Hutchins' statement as it appeared in the article in Look Magazine, and we were concerned, as Mr. Dodd expressed himself in the letter, with the possible effect of a condition of that kind on education.

So we asked to see the report itself, and they have kindly sent it to us and we have that. We have what Mr. Hubbard himself has assured us is a typewritten copy of the report in the only form in which it was ever issued.

Mrs. PFOST. I see, thank you.

The CHAIRMAN. Mr. Hays has some questions.

Mr. HAYS. Before we go into your statement, Mr. McNiece, would you tell us what you have done before you came with the committee to get some idea of your background?

Mr. MCNIECE. Well, it is rather a long story.

Mr. HAYS. Just generally, the last 10 years or so.

Mr. MCNIECE. Well, I might say that I received a BS degree in electrical engineering from Case Institute of Technology, that is a long ways back, and later an EE degree.

Mr. HAYS. Where is that? In Cleveland?

Mr. MCNIECE. In Cleveland, Ohio.

I made a few notes, perhaps it would be quickest, Mr. Hays——

Mr. HAYS. Just in your own words——

Mr. MCNIECE. This runs over quite a period of years. And I had administrative charge over electrical testing and research laboratory, production, all phases including: production planning and schedules; plant accounting over approximately 25 factories, including timekeeping, payrolls, storekeeping, monthly balance sheets and operating reports; inventory control, monthly and annual budgets, and so forth; sales accounting, market, advertising and sales analysis and budgetary control; security and investment analysis; extended research in economics, especially in field of business fluctuations; world-wide economic analyses involving operating results, economic and market characteristics in various principal countries.

Approximately 5 years in volunteer "on call" work with the Department of Justice during and after World War I.

Civil Service commissioner in midwestern city.

Chairman of local school district committee including board of education created to study and report on school situation with respect to curriculum, construction and operating cost estimates and effect of possible merger with adjoining school district.

Seminar speaker at Columbia, Cornell, New York and Princeton Universities, and Stevens Institute of Technology.

Participant on programs of National Association of Cost Accountants, International Cost Accounting Conference, American Management Association, United States Chamber of Commerce, Boston Retail Distribution Conference, American Statistical Association, National Industrial Conference Board, American Mining Congress, and others.

I have been a consultant on management problems.

Articles have been published in various magazines and journals including among others:

Proceedings of American Institute of Electrical Engineers; Transactions of American Society of Mechanical Engineers; The American Architect; Chemical and Metallurgical Engineering; The Harvard Business Review; The American Mining Congress Journal; Sales Management; Commercial and Financial Chronicle; Hardware Age; and occasional papers and yearbooks of National Association of Cost Accountants.

That is only a partial list of the publications. But it is enough to indicate, I think, the field of work in which I have been engaged.

Mr. HAYS. That is a very impressive background. But you don't have or haven't had a great deal of experience in educational matters.

Mr. MCNIECE. Well, I have absorbed a lot over a long period of years. I have worked a great deal in extra-curricula capacity on research work, with professors from Cornell, and also in an intimate work for a period of time in the study of money and inflation in countries all around the world, with a professor of long experience in the University of Illinois, Columbia, Toronto, California, and he was consultant and advisor to the Chicago Stock Exchange. I mention that only because we were intimately connected with the production of several written works, which I have not listed here.

Mr. HAYS. Mr. McNiece, I am not trying to make any reflections whatever upon your past affiliations, and certainly none should be implied from any questions I ask. But your statement has been, it seems to me, a rather serious series of charges or indictments, or whatever you care to say, against American education in general and some phases of it specifically.

There wasn't any hit or miss that you came to be in this job. Could you tell us how you first happened or how did you become or get the job with this committee and the title you have?

Mr. MCNIECE. I see. I have known Mr. Dodd for quite a long period of years. We had been affiliated informally in several bits of work. As I understand it, and he could better explain this than I, but as I understand it, when he was approached in connection with going on this work, he called me to find out if I would be interested in undertaking this work with him. I told him that I wished to consider it for a moment.

Mr. HAYS. Now, had you and Mr. Dodd, had you in previous years found yourselves in agreement about some of the things that these reports of yours have setout, and have you made any informal study into this, or was this a brand new field?

Mr. MCNIECE. I have been interested in this general field, let us say broader than the field of education itself, for a great many years. The interest arose during World War I.

I spent many, many hours in voluntary work "on call," as I have stated, with the old American Protective League, which was organized under laws of Congress and operated under the Department of Justice. They had chapters in all of the principal cities, if I may call them that, of the country.

We operated under the orders of the local Department of Justice agents and this was before FBI was formed. The local Department of Justice agents in the Federal Building were the chief authority under which we operated. We were assigned cases to investigate and they were numbered, and typewritten orders on which we returned written reports.

I did a good deal of investigation work in that particular field. I have always been interested ever since I was—well, let us say, got into that field of work, in problems of subversion. I have always been interested in problems and methods of education.

I had two finite and definite offers to enter into the field. And sometimes I have been sorry I didn't go into it. But I have been personally interested in the field of education and spent a good deal of time with friends who have been.

Mr. HAYS. Have you had any great informal interest in philosophy?

Mr. MCNIECE. Not as a separate subject, no.

Mr. HAYS. Just as it has been related?

Mr. MCNIECE. That is right.

Mr. HAYS. No particular philosopher has influenced your thinking?

Mr. MCNIECE. Not at all; no, sir.

Mr. HAYS. Just as a matter of curiosity, are you aware or are you familiar at all with the works of a French philosopher by the name of Fabian d'Olvit?

Mr. MCNIECE. I am not.

Mrs. PFOST. On page 10, Mr. McNiece, of your report, you say that—

Inasmuch as the term "public interest" will be used in this report from time to time, it will be well to define it in the sense that it is used in this section of the report of the staff committee. The same conception of the public interest is used in the economic section of the staff's report.

Mr. MCNIECE. That is right.

Mrs. PFOST. Now, is that this report that was just handed to us a month ago, and is this the one to which you refer there?

Mr. MCNIECE. That is right. There is also a repetition in there, Mrs. Pfost, of the paragraph by Seymour Harris. And these were written separately, at widely divergent times, and at the cost of repetition, I have inserted that in both reports.

Mr. HAYS. Now, Mr. McNiece, in other words, then, you came into this picture through your previous friendship and association with Mr. Dodd who had previously been hired?

Mr. MCNIECE. And I was impelled to take it because of my long-time interest in the general problem.

Mr. HAYS. Understand that I am not insinuating that there is anything wrong about it, but I am just trying to get some background?

Mr. MCNIECE. I fully understand.

Mr. HAYS. Because you and I know that we are not very well acquainted and I may say to you that you have expressed some views in here which if not at least radically different from mine are challenging, and I am trying to find out how you came to have them.

I want to say this: I had a series of questions which I had annotated with your original script and I got the other one lately. But I have tried to recorrelate my questions to the proper page.

Now if we find sometimes that along the way we are at the wrong page, it will be only because I have made an error.

Mr. MCNIECE. I am very sorry that happened. I want to take complete responsibility for that; that is my fault.

Mr. HAYS. I am just offering that by way of explanation. Ordinarily I want to start at the beginning of your statement and go through it with the items that interest me. But by having a state-

ment, you see you consumed the entire morning, and whatever you said in your statement has gone out unchallenged to the afternoon papers, so that I am going to start at the back and ask you something that I think is important that the evening papers might want to quote you on. I think it is important that we get both sides of this since the press is covering it.

I want to talk to you a little bit about this Dr. Hutchins matter. And I want to start with the very last sentence, or the last paragraph in your statement, that is, on page 45, I guess, of the new copy.

You say:

> We also wonder how many educators would support the concluding line of Dr. Hutchins' article—

which you quote—

> No country ever needed education more than ours does today.

I take it that you disagree with that statement?

Mr. McNIECE. Yes.

Mr. HAYS. Is that a fair assumption?

Mr. McNIECE. Yes, I think that is a fair assumption. It would be, if I may modify my statement, it would be a pretty serious indictment of education up to date, in all branches and forms, if that statement were true. I am stating that as a matter of my own opinion.

Mr. HAYS. Well now, that is fine. But I am going to try to develop a line here to see if I can't get you to agree with me that that statement might well be a good statement.

Will you agree with me that the battle that we have with communism is essentially a battle for men's minds, number one; and number two, a battle for technical knowledge so that they cannot surpass us?

Mr. McNIECE. Why certainly. I believe that the advocates of the various forms of culture, including communism and socialism and our own, all form what I consider to be normal evolution in thought and education; it is a competitive struggle to win converts. I feel we are all up against that.

Mr. HAYS. Well, in other words, then I think you and I agree generally that we are engaged in a great struggle for knowledge, and the whole faith of the world may depend upon who wins that struggle, whether we win it or whether our adversaries win it.

Would you go that far with me?

Mr. McNIECE. Well, that is more or less a hypothetical situation.

Mr. HAYS. I agree that it is.

Mr. McNIECE. Anything that I could say would only be a raw opinion, given off the cuff, so to speak, without any material thought. I do feel, and I think there was one quotation in here which I read to that effect, that we are all going to be very greatly affected by this struggle to which I see no end at the moment.

Mr. HAYS. We are engaged in a race for atomic knowledge, among other things.

Mr. McNIECE. To me that is only an incidental feature. But to that extent I would say yes.

Mr. HAYS. Which would be a very serious feature, if we lose the race.

Mr. McNIECE. It could be. But so could germ warfare.

Mr. HAYS. Those are two related fields. And they have a bearing on the future of this Nation.

Mr. MCNIECE. Yes.

Mr. HAYS. Now, do you have any idea how many men have been rejected by the Selective Service because of educational disqualifications?

Mr. MCNIECE. No; I do not. I should because at one time somewhere or other I read a statement, but I don't know how authoritative it was, and I don't remember it.

Mr. HAYS. Well, I don't have the exact figures at my fingertips. But, as I recall it, it is a very significant percentage.

I have seen numerous articles about it. It seems to me that perhaps it might run up to 20 percent, although I am more or less guessing at that figure. But it seems to me that it was rather a significant percentage.

Mr. MCNIECE. Probably, and again this is an expression of opinion, partly as an engineer, but probably the requirements for education, as distinguished from intelligence, are a little higher today at least in the Army viewpoint than they were in the time of World War I.

Mr. HAYS. I don't think that there is any doubt about that. But I think it is significant that the Army has found that it requires a rather minimum amount of education to take a fellow in, but even so it has found that there is a significant number of people who don't have that minimum.

Mr. MCNIECE. Well, my impression has been that they are calling for very high standards of education in order to supply the technical knowledge required now for all of the instruments involved in mechanized warfare.

Mr. HAYS. I agree with that thoroughly. You can't get by as an illiterate in modern technical warfare, and you have to have some knowledge of the 3 R's in order to just be able to operate some of these complicated weapons, read the instructions, directions, and so on.

Mr. MCNIECE. Yes.

Mr. HAYS. Well, the thing I am driving at, I am wondering if you are not putting a critical interpretation on Dr. Hutchins' statement. Perhaps it is possible that he meant in this struggle that we are engaged in for survival that it is imperative that we have a well-educated country if we are going to survive.

Do you think that there is that possible connotation to be put on what he said?

Mr. MCNIECE. I wouldn't care to theorize on what he meant. I was just giving my interpretation of what he said, and I would hesitate to hazard a guess or an estimate as to what really went on in his mind, other than what I infer from this article.

Mr. HAYS. Well, you mentioned yourself the fact that a member of the Indiana Textbook Commission called Robin Hood a subversive. And I ought to ask you first if that was one——

Mr. MCNIECE. That was a quotation.

Mr. HAYS. I know it was. But you woudn't agree with that, would you, or would you not?

Mr. MCNIECE. No, I wouldn't.

Mr. HAYS. You and I can say, then, we agree that we don't think Robin Hood was a Communist.

Mr. MCNIECE. I think so.

You knew, did you, that a case in court, I think in New York, had been thrown out in the last few weeks, where an application was made to bar the teaching of David Copperfield and the Merchant of Venice?

Mr. HAYS. I have read something in the paper about that, yes, sir.

Mr. MCNIECE. And the courts threw that out.

Mr. HAYS. But don't you think it is rather a serious matter when a member of the highest commission on education in 1 of the 48 States comes out with a statement like that? To me that was just slightly more than appalling to think that someone would say that.

Mr. MCNIECE. Well, I think that I would agree with you. I was inclined, and I saw nothing but a newspaper article about it, and my own inclination was to assume that it was more or less facetious. I knew no history of it other than what I read in a short newspaper article. I couldn't conceive of taking an attitude like that myself.

Mr. HAYS. I read quite a number of articles, since Indiana is a neighboring State to mine, and I got the definite impression this lady wasn't being facetious at all, or didn't intend to be. She was serious about it.

Now, then, what do you think, or how do you think, a teacher in the Indiana schools might feel about it if he or she were confronted with the business of textbooks with a mention of Robin Hood? Don't you think that they would be inclined to tread a little gently there?

Mr. MCNIECE. Well perhaps if they fitted the characteristic that Norman Woelfel said of timidity and ignorance. I don't know. I don't believe a courageous teacher, the type that we would like to have in our schools, according to my own impression, would have any such fear as that.

Mr. HAYS. Well now let us go down the list to Los Angeles. Do you think a teacher there would have any reluctance at all to mention UNESCO, or do you think they would have a tendency just to forget that and skirt clear around it in view of what has happened there?

Mr. MCNIECE. According to my conception of a good teacher, they would have no hesitation in teaching objectively. I don't believe that it is possible to educate people as they should be educated without teaching the pertinent factors with respect to UNESCO, or any other of the controversial subjects. I say they ought to be taught objectively.

Mr. HAYS. I want to say to you that you and I can agree 100 percent. But there are a lot of people in the teaching profession, unfortunately, who have to have that check every month, in order to eat. Some of them have families, and some of them don't want to jeopardize their livelihood by getting into any controversial subjects; so it seems to me that it is more than possible that in a case where you have a red-hot issue like that was in Los Angeles they just refrain.

Now, I could give you some examples from my own experience of what I hope was a courageous teacher.

I talked about social security back in 1935, and I got into quite a squabble with the school board because they said I was teaching socialism by even mentioning it.

I don't want to burden the record, but I have here two volumes of the Congressional Record of the 74th Congress, running from March 29 to April 16 and from April 17 to May 4, which are largely taken up with the debates on social security. I might tell you that fre-

quently in those debates you can hear the term "socialism," and "socialistic," and "a scheme to wreck America," and my good friend Congressman Rich, whom both of you remember very well, even has a famous speech in there "Where are we going to get the money," saying that it would bankrupt the country.

And I mentioned in my American Government classes that the Congress was debating this. Students expressed themselves about it. And I guess I said I thought it was a good thing, so I was called in in front of the school board about it.

Now, I went right ahead and I said what I thought anyway. Perhaps that is the reason I am here today, instead of teaching school. I don't know.

You will agree that a lot of times it would be the better part of valor if the teacher didn't say anything in a situation like we have in Los Angeles, wouldn't you, or some other situation?

Mr. McNIECE. I would say it would depend upon the teacher's temperament. I wouldn't admire a teacher who would feel that he was circumscribed in an effort to teach honestly by fear of public opinion. I believe that a good teacher can satisfy the public on a question of that kind. That is purely a theoretical assumption.

Mr. HAYS. But can they satisfy these people who have a tendency to tend to other people's business, who are always rushing in and raising issues——

Mr. McNIECE. I couldn't speak for them.

Mr. HAYS. Where issues don't exist, you see?

Mr. McNIECE. I coudn't speak for them.

Mr. HAYS. But that thing pervades, doesn't it, and Dr. Hutchins mentions that in his article. He even goes so far as to say that 20 colleges and universities are cooperating with State and congressional investigating groups in a blacklisting program.

Now, I don't know exactly what that would be.

Mr. McNIECE. I wouldn't either.

Mr. HAYS. But it seems to me he quotes one of the Members of the Senate as his source of that. It seems to me that that would put a good deal of fear in a teacher to say anything controversial, wouldn't it, if you thought that you might be blacklisted secretly and anonymously?

Mr. McNIECE. It is hard for me to answer that, because——

Mr. HAYS. Let me ask you this, then, just why was this article by Dr. Hutchins mentioned in your report at all?

Mr. McNIECE. It was mentioned particularly, and if you will associate it with the rest of my testimony you will see, as an adjunct or a feature of NEA.

Here we have in this communication from Mr. Frank W. Hubbard, director of the research division, a copy of a letter in which he has suggested that he is not sure that Mr. Hutchins' conclusions would be exactly those of NEA Research Division or of the NEA Committee on Tenure and Academic Freedom. That is the group of teachers for whom this study was made or in whose interest this study was made.

Now, it would seem odd to me that if, in NEA circles of that level, there was doubt about the wisdom or the logic of a conclusion of Dr. Hutchins, they would have hesitated a bit about preparing a large pile. I saw them myself, and I don't know how many there were, but I saw a stack at least that high [indicating] on their shelves personally.

That was the reason I brought the item up.

Mr. HAYS. Do you have any concrete evidence to prove that they, the NEA, prepared that, and does it say on there it was prepared by them?

Mr. MCNIECE. No; but I found it on their shelves, personally.

Mr. HAYS. Now let me point this out to you, Mr. McNiece. If you would go down and search through my office, I believe you can find one of those in my shelves.

Mr. MCNIECE. But would I find a pile that high?

Mr. HAYS. No, because Look magazine only sent me one. But it seems conceivable to me, since the article had a good deal of reference to the people that the NEA membership are composed of, they might have sent them a pile of it. I don't know where they got them, but I wonder.

Mr. MCNIECE. I wonder why they keep them in stock and offered me one if they didn't intend them for distribution?

Mr. HAYS. Did you ask them for one?

Mr. MCNIECE. No. I said I wanted material that was indicative of material they were distributing. And I have quite a few samples of their literature. They were very decent and very cooperative. I mean this is no criticism, this part of it is no criticism of NEA at all.

Mr. HAYS. Do you think they shouldn't have distributed this article?

Mr. MCNIECE. I don't know that they did. I said in my testimony I was not familiar with the fact as to whether or not they had distributed it. And I said that very clearly.

Mr. HAYS. Then exactly what, Mr. McNiece, is at issue here, the fact that they had these in their possession?

Mr. MCNIECE. Yes.

Mr. HAYS. And you think that that is bad?

Mr. MCNIECE. Yes, and if it should be decided that they were distributed. I feel that, if it was not in accordance with the conclusions of their body, it is very questionable as to whether they should retain either as a gift or a purchase a large supply of these and be willing to hand them out.

Mr. HAYS. What about Look magazine? It distributed them much more widely than the NEA. Do you intend to imply criticism of them?

Mr. MCNIECE. We are not involved in a study of a magazine and I haven't given any thought to that at all.

I don't even know what Look magazine's policies are, because I don't follow it closely.

Mr. HAYS. I suppose that it presents both sides of any controversial question. What I am driving at: Are we getting into a position that somebody around here is setting themselves up as a censor?

The CHAIRMAN. Would the gentleman yield there?

The thing that impressed me, when you read this exchange of letters between Mr. Dodd and Mr. Hubbard, was that Mr. Hubbard's letter would indicate that Dr. Hutchins' conclusions in that article were not based upon the findings of the study which the NEA made. The article itself purported to be that.

In the concluding paragraph of Mr. Hubbard's letter, he said:

At any rate, I am not sure that Mr. Hutchins' conclusions would be exactly those of the NEA Research Division or of the NEA Committee on Tenure and Academic Freedom—

which is, I assume, the committee that made the study.

Mr. McNiece. Yes.

The Chairman. I may have gotten the wrong conception of your purpose in putting the letters in, but it was my thought that you put the letters in to indicate that the NEA had not exacly disavowed but had not accepted the conclusions of Dr. Hutchins, as being the conclusions of the NEA committee that had made the study.

Mr. McNiece. That is exactly right, Mr. Chairman. And then the secondary thought was that regardless of that inference, which I have mentioned here, they were in possession of this. I call it a stack, because I saw it, of reprints of this article, and the presumption is that they were there for a purpose. Otherwise, they would have been thrown away.

I stated very clearly that I did not know positively whether these had been placed in circulation or not, but I do know positively that one of them was handed to me without specific request.

Mr. Hays. Well, Mr. McNiece, you have hinged this whole business about the NEA and Dr. Hutchins on one sentence, as I get it, and he says in paragraph 2 of Look magazine:

> The National Education Association studied no less than 522 school systems, covering every section of the United States, and came to the conclusion that American teachers today are reluctant to consider "controversial issues."

Now that is all that he says about the NEA report that I have been able to find in a very quick sketching over of this. I may have missed something.

Now, that apparently is a statement that the NEA can either testify one way or the other about what conclusions they came to. But you can't indict the NEA because Dr. Hutchins said that, can you?

Mr. McNiece. No.

Mr. Hays. But you do indict them because they had a stack of this in their possession?

Mr. McNiece. No, that isn't the point.

The subject of this study, as turned out by NEA, is the handling of controversial issues in the local school system.

Now, that is the study. And there is the copy of it in typewritten form. That was produced by the Research Division of NEA.

Mr. Hays. I am at a disadvantage of not having seen that so I can't question you about it. But let me ask you another question along that line.

You are probably familiar with certain laws in certain States that are commonly known as teacher-tenure laws.

Mr. McNiece. Yes. I am not specifically or statistically, but I know what that means and that there are many of them.

Mr. Hays. What do they imply to you? What is the meaning of them?

Mr. McNiece. They simply mean in accordance—and I have a volume somewhere, not with me—but they simply imply that according to provisions in individual State laws the tenure of office is more or less guaranteed during a term of good behavior.

Mr. Hays. That is right.

In other words, they prevent a school board from firing some teacher because they don't like the fiancee of that teacher, or because they didn't like the fact that the teacher said he thought social security might be a good thing.

Mr. McNiece. Firing them without just cause, yes.

Mr. Hays. Why do you think those laws came about? Do you think some legislature just passed them because they ran out of something to pass and wanted to pass a law? Or do you think that there was a necessity for it?

Mr. McNiece. There are two probable and possible answers to that. Either one or both of which might apply to different States under different circumstances.

One is that there were positive injustices that happened or were carried out.

The other is the same kind of fear that you are speaking of on the very controversial issues, the fear that something of that kind might happen.

And the teachers' lobbies, which are very, very strong in some States have had such measures introduced for their protection against possible contingencies.

Mr. Hays. Well now, of course, that is all in the realm of conjecture, and that is all we can deal with there, except for one specific instance, which I will tell you about.

I happen to have introduced such a bill in the Ohio Senate in 1941. And it happens to be a law out there; it happened that it passed that year. The National Education Association nor the Ohio Education Association nor any other education association asked me to introduce the bill. I did it because of my own personal experiences in the educational field.

The Ohio Education Association did get behind the bill. There were some letters written no doubt to other members of the legislature and there was some testimony given before committees. And the bill in some modified amended, slightly amended, form became law, a bill not identical with the one I introduced, but having the main provisions.

It was introduced for the very reason back then in 1941 that Dr. Hutchins is talking about now. It was in order that no one, as I saw it, could channel, circumscribe and squeeze the education system of America into their own pattern as it is done in Russia today and as it was being done then in Nazi Germany and Fascist Italy.

You wouldn't say that Dr. Hutchins wouldn't have a right to put his opinions in writing, would you?

Mr. McNiece. Definitely not.

Mr. Hays. But you do say that the NEA, if his opinions happen to appeal to them, that they shouldn't make it available to their members who hadn't happened to see them?

Mr. McNiece. I am inclined to question the judgment and not the right.

The Chairman. Would you permit another interruption along the same line as my other observation?

Again, if I summarize in my mind correctly, following up my other observation, the part of the statement of Dr. Hutchins' article which you question the judgment of the NEA in circulating is where Dr. Hutchins in his article says that—

> The National Education Association studied no less than 522 school systems, covering every section of the United States, and came to the conclusion that American teachers today are reluctant to consider "controversial issues."

That is, he put himself in a position of speaking for the National Education Association and giving its conclusion of the studies which

were made; whereas, Dr. Hubbard says that he is not stating the conclusions of the committee that made the study. That is just the way I interpret it and perhaps I am wrong.

Mr. HAYS. He says, "I am not sure Mr. Hutchin's conclusions would be exactly those of the NEA." It seems to me that that is pretty careful language. I don't know what it means.

The CHAIRMAN. That is correct.

Mr. HAYS. I would like to know what the NEA found out in their study. I think it might be very illuminating.

The CHAIRMAN. For my own information, with reference to the Teacher Tenure Act, my going back to my earlier experience which of course is sometime ago, I felt one thing that encouraged the teachers in advocating the Teacher Tenure Act was to make sure that political considerations when administrations, whether municipal, county, or State, changed that their positions wouldn't be affected by the vicissitudes of politics.

I had always felt that that was one of the compelling reasons that advanced the cause of the Teacher Tenure Act.

Mr. MCNIECE. Yes.

The CHAIRMAN. I am sure it was down home.

Mr. HAYS. What did you say again was the cause of it?

The CHAIRMAN. That in the earlier days teachers were regarded as patronage in the same sense of the word or probably in a lesser degree, but in a similar sense, to other municipal, county or state employees. Then, as the cause of education advanced, the political angle began to recede but sometimes the teachers were apprehensive of political considerations entering into the employment of teachers or the dismissal of teachers in order to make particular dismissal in certain categories in order to make available vacancies for political friends when the county, municipal or state administration changed. Therefore, they encouraged, out of those political reasons, the enactment of teacher tenure acts.

Mr. HAYS. I think certainly that has——

The CHAIRMAN. More than the other things.

Mr. HAYS. It has an affect on it. It wasn't political politics, as such; they never entered into it very much in Ohio, since I remember the educational system. But there certainly was that fear that for political or other reasons occasionally a board member would want to push one of his friends into the school system.

The CHAIRMAN. I don't think it really enters into it very much today. But in former years I think it did enter into it a great deal.

Mr. HAYS. Now, going back to your start of your statement, on pages 1, 2, and 3. You say that you are not criticizing change as such in the very first page.

Mr. MCNIECE. That is right.

Mr. HAYS. Then in that same page, almost that same sentence, you say that the pattern is one of evolving collectivitism. What do you mean by that?

Mr. MCNIECE. The trend toward socialism, which I have shown immediately thereafter in the form of several definitions from qualified investigators or members of parties.

Mr. HAYS. Do you consider social security socialism—unemployment insurance, and old-age pension—I will be specific, do you consider those socialism?

Mr. McNIECE. They are socialistic in nature. Old-age pensions are something for which an actuarial basis exists, in the same form of statistical computation as is made by insurance actuaries for life insurance.

There is absolutely no basis whatever for unemployment insurance. I have raised a question about the use of the term. As insurance, men tell me it is a misnomer. There is no actuarial basis for it. If you had an actuarial basis for unemployment, you would have the best little business forecaster that could possibly be developed. We have no such thing.

Mr. HAYS. Then would you advocate, Mr. McNiece, that we do away with unemployment insurance?

Mr. McNIECE. I wouldn't go that far.

Mr. HAYS. That might be a very unpopular thing to advocate, inasmuch as only eight people in the House voted against broadening the whole social security thing.

Mr. McNIECE. I understand that. I might possibly, and I would hesitate for political or any other reasons to advocate its elimination, particularly at this time, but I will go so far as to say that if a depression of sufficient magnitude hit us it might eliminate us.

Mr. HAYS. Unemployment insurance would?

Mr. McNIECE. Yes. The senate of the State of Ohio, a matter of 15 or 20 years ago when this agitation for unemployment insurance first came up, employed some outside consultants whose names I have forgotten. I was familiar with it at the time but I have forgotten it. Together with the senate committee, they explored this whole field of unemployment insurance. In a nutshell they came to this conclusion that, if a business depression of serious magnitude developed, the only possible source of money with which to meet the large and cataclysmic demands for payments would be the printing press.

All of the money that is set up of course goes into the general fund and the Government spends it and puts tickets in the drawer. If and when the time comes to pay unemployment insurance or unemployment dole, if the reserve inventory of paper money is not sufficient to meet the demand, they have to start the printing presses.

Mr. HAYS. We are getting into a discussion of economics here, aren't we?

Mr. McNIECE. Economics and finance. I am only mentioning here what the committee of the Ohio State Senate said.

Mr. HAYS. I realize I started it.

Mr. McNIECE. But I would like to observe that we are both safe no matter what comes out of this.

The CHAIRMAN. Would the gentleman yield for another observation? And I apologize.

But as I summarized in my mind the effect of the more pertinent quotations which you gave, they went toward establishing or setting up a system of economy that would do away with free enterprise. It was finally summarized by Harold Laski, in his summary of the report of the American Historical Association's Commission on Social Studies, when he said:

> At bottom, and stripped of its carefully neutral phrases, the report is an educational program for a Socialist America.

Mr. HAYS. Now, we will just hop right over to page 21, Mr. Chairman, and go from there. I could hardly wait to get there anyway.

Now, then, to bring in Mr. Laski, that is an interesting thing. Now, Mr. McNiece, do you agree that Mr. Laski has been correct in his various analyses about politics and economics down over the years?

Mr. McNIECE. I am not sufficiently familiar with his writings to be able to give a qualified answer to that, Mr. Hays.

Mr. HAYS. You don't know whether you approve of them generally or disapprove?

Mr. McNIECE. In a newspaper sense, and years ago he died, I think in 1945, or 1946, or around there, in a newspaper sense I saw, when he would make some of his numerous trips over here, or statements, that I would disagree with.

Mr. HAYS. Most of his ideas, let me say, if you are not familiar with him, died before he did. Now, the question occurs to me, you wouldn't want to endorse his whole political philosophy, and how is it you quote this one quotation on page 21?

Mr. McNIECE. At the very bottom of page 21.

Mr. HAYS. And you take out there three little lines, and in fact a very short sentence, and you quote that as though that were gospel truth.

Mr. McNIECE. I am quoting that from The Turning of the Tides, part 2, the author of which is Paul W. Shafer, Member of Congress, and I believe from Michigan.

Mr. HAYS. Since you bring in our good friend Paul Shafer, is there another author to that book?

Mr. McNIECE. There are, I think, three parts, and this is the part which he authored.

Mr. HAYS. Who are the other authors?

Mr. McNIECE. I don't remember.

Mr. HAYS. I thought that he had a coauthor on that.

Mr. McNIECE. I think that there are two coauthors.

Mr. HAYS. I don't want to accuse Paul of guilt by association but it might be interesting if we knew who the other fellow is. If these hearings don't teach me anything else, they are going to teach me never to write a book.

Mr. McNIECE. Part 1 by John Howland Snow, and part 2, I am quoting, is by Paul W. Shafer, Member of Congress from Michigan since 1937. The original text was delivered in the House of Representatives on March 21, 1952. Then this book, I was thinking it was in 3 parts, but it is in 4 parts, and parts 3 and 4 are again by J. Howland Snow, and you were correct in mentioning a coauthor.

Mr. HAYS. I won't go into that, but anybody who is interested can find out about him. So you take this one quotation from this book of Mr. Shafer's, and of course you don't know why he took it, but anyway we get this quotation quoted as though it were gospel truth, but I think that we could probably agree if you and I studied Laski, that we wouldn't subscribe to practically anything he ever said.

Mr. McNIECE. I don't insert this in any different sense than all of the other quotations are inserted. I have tried, Mr. Hays, to avoid at this stage of the game, conclusions of my own. These, as nearly as I could make them, are factual statements and my own statements are merely introductory. That is, introductory to those quotations.

Mr. HAYS. You do intend to convey, don't you, Mr. McNiece, from your statement, the idea that there has been some sort of a plot to change the whole concept of the social sciences, or something to that effect?

Mr. McNiece. I start out by quoting Mr. Seymour E. Harris, who suggests that thought himself. As I pointed out, this study is an initial staff report, on this phase. A second section will follow the triangle down along the right-hand side, and finally we will evolve some sort of final conclusions out of the whole study.

Mr. Hays. Let me ask you this question: Did you have to work very hard to find these quotations? You must have had to do a good deal of searching to build this case.

Mr. McNiece. I will say, "Yes."

Mr. Hays. That is the answer I hoped you would give, Mr. McNiece.

Now, on page 6 you mention or you set out here some of these foundations, and the number of individuals with leftist records, or affiliations. Now, I don't know exactly what you mean by that, but we will say for the purposes of the point here, that they are people that are very undesirable, and never should have gotten grants. Would you agree with that?

Mr. McNiece. I didn't introduce in my thought the word "undesirable". My purpose in using that phrase was to indicate from the record first that they had been cited according to the record, as belonging to leftist affiliations; and second, that the foundation representatives, whoever were testifying, in response to Mr. Keel's questions, admitted these facts in connection with this number of grants.

I simply took this record from the history of the hearings, and not the final report, you understand, but the hearings of the Cox committee.

Mr. Hays. This may seem an irrelevant question, but it will have some bearing. What do you think of Ivory soap? Do you think that is a fair product?

Mr. McNiece. I use it once in a while.

Mr. Hays. You set forth that the Rockefeller Foundation has 26 bad grants, and I happen to have information that the Rockefeller Foundation has made 40,000 grants and I have done a little quick mental arithmetic here, and Ivory soap only claims to be 99 and 44 one-hundredths percent pure and the Rockefeller Foundation, according to your own testimony, is 99 and 85 one-hundredths percent pure; and they are purer than Ivory soap.

Mr. McNiece. That is your testimony and mine together. I think the testimony at the time of the Cox committee showed some 29,000-plus grants, and not 40,000, by the Rockefeller Foundation, and anyhow, as I pointed out——

Mr. Hays. Even if it is only 29,000, and I think my figure is more near accurate, they are still better than 99 percent pure.

Mr. McNiece. That isn't the point I have tried to make clear.

Mr. Hays. The point, let me ask you this before you go on, and I don't mean to interrupt you. But would this be a fair assumption: If the Rockefeller Foundation came in here and said, "Yes, we frankly admit that we have made 26 bad grants," or 56, or whatever the number is—and I am using the number 26 because it appears in the testimony—"and we are sorry we did it, and had we known then what we know now, we wouldn't have done it"; do you think the Rockefeller Foundation ought to be pilloried because out of 40,000 grants it has made 26 which somebody says are suspect? And I will go along and agree with you that they are.

Mr. McNIECE. I have not in any case, in any line in this book, attempted to pillory any foundation. I am merely reporting facts, as they occur.

Mr. HAYS. I want to make it clear that that word is just a word that occurred to me, and let us say that then they ought to be criticized. I don't want to put any words in your mouth, or make any implications that wouldn't be right. Do you think it is quite fair to pick out these 26, and "sure it is bad, and we hope they never do it again," but don't you think we might be casting an unfair reflection on Rockefeller by stressing the 26 and forgetting the 40 thousand less 26 others, or 36,974?

Mr. McNIECE. I don't think so, Mr. Hays, and this was not drawn up with any such thought in mind. I am not so much interested in the history of the past, as I am of evolving some kind of plan of care for the future. I really believe that some unknown proportion of these grants were made undoubtedly before we had any record of leftist affiliations, so called, and citations from the various governmental boards.

I have been sufficiently familiar with the progress of that work through the years to believe that a goodly number of these were made before there was any record that could be consulted. I am not offering this as a point of criticism, but evidence that caution should be exercised, and I have said "at this time we are not concerned with the question as to whether or not the foundations knew or could have found out about the questionable affiliations of these grantees before the grants were made. The fact is that the funds were given to these people. This is the important point of interest to us."

Mr. HAYS. I grant you it is an important point of interest.

Mr. McNIECE. And it has an exploding and growing and expanding force through the years.

Mr. HAYS. You think it has a growing force?

Mr. McNIECE. Why, of course, as these men continue to expound their theories.

Mr. HAYS. Well, now, Mr. McNiece, 26 out of 40 thousand couldn't have a very explosive force; what about the other 39,974? What are they going to do, just fizzle out? And aren't they going to be firecrackers that go off or are they duds?

Mr. McNIECE. I am not talking about 46 out of 40 thousand; I am talking about this number of men, 95 people on the loose, that are free to expound these theories, many of them to growing youths whose experience hasn't been sufficient to give them judgment to weigh.

Mr. HAYS. Well, now we are going into where I would like to get. You say these men are on the loose, and you say their theories are bad. And, of course, we are talking now in sort of an Einstein's theory of relativity, because I don't know who they are; and you talk about socialism and we have got to try to define it and we got into the field of economics which we could stay here from now to doomsday and perhaps never come up with any final conclusion that either you, I, or anybody else in the room could agree on.

So just where are we? We have had changes in this country, surely, and we had a depression. And out of that depression came a demand of the people in a democracy for change, and to try to improve and to try to pass some social legislation which would at least if not prevent the same hardships and effects, minimize them in the future.

Now, are we taking the position that that is bad, and if so what are we going to do about it?

Mr. McNIECE. At this point particularly, I am simply offering what evidence I can find on the subjects which I have investigated on the assumption that this evidence would be used by the committee of the House in formulating its conclusions. I did not, at least at this point of the game, assume that I am supposed to suggest conclusions.

Mr. HAYS. Don't you think that your report, if anybody read it and took it seriously, would certainly suggest certain conclusions?

Mr. McNIECE. I think the weight of the evidence might suggest them, but I am not suggesting the conclusions at least until I get through with the presentation.

Mr. HAYS. But you admitted a little bit ago, didn't you, that you had to work pretty hard to come up with some of these quotations.

Mr. McNIECE. I have had to work hard to read all, and find all of this varied assemblages of books and pamphlets.

The CHAIRMAN. May I interrupt here? There is quoted here the list of people of subversive character that was mentioned before the Cox committee, which you mentioned incidentally. But I didn't understand or I wasn't impressed that that was your major theme, it was more or less incidental. I understood that you were discussing primarily the grants that had been made to some citizens and organization of different types, who in turn had used the money to make these studies and reach conclusions you felt might very well be in conflict with our usual concept of this.

For instance, on page 13, just to quote one of them:

> Underlying and illustrative of these tensions are privation in the midst of plenty, violations of fiduciary trust, gross inequalities in income and wealth, widespread racketeering and banditry, wasteful use of natural resources, unbalanced distribution and organization of labor and leisure, the harnessing of science to individualism in business enterprise—

and so forth.

You quoted the results of the studies for which these donations or contributions from the various foundations had been used, and you were putting that before us for the consideration of the committee. As I saw it, the mere fact that you threw in and quoted the number of subversives who had received grants was more or less incidental to your major theme.

Mr. McNIECE. That is absolutely right, Mr. Reece. I also made a statement distinguishing between small and large contributions.

Now, in connection with the hearings of the Cox committee, in naming these 95 individuals my only thought was that that fell into the category of miscellaneous small grants that had been made, and the large grants which to me are far more important, which takes up the main part and the real burden of this testimony, were through the intellectual and other organizations indicated on that chart. That is the major point of emphasis.

Mr. HAYS. Well, Mr. McNiece, if you had worked as hard as you worked on this, and I have inside information that you did work very hard, to find good things that the foundations have done, don't you think you could have come up with a far more impressive volume and a far more liberal number of citations and so on and so forth?

Mr. McNIECE. I haven't any doubt of that.

Mr. HAYS. In other words, you did try to put into this report all of the bad things they have done.

Mr. McNiece. No; not all of the bad things.

Mr. Hays. Most of the bad things.

Mr. McNiece. Mr. Hays, from my point of view, 2 bad eggs spoil an omelet made of 12. We are looking for the cause of the bad ones. We want to eliminate those and attempt, if possible, to point out certain things, at least which I individually believe have gone on without the knowledge of trustees and which I have tried to point out. That the trustees of busy foundations, or busy men——

Mr. Hays. You say 2 bad eggs will spoil an omelet of 12. I suppose 2 would also spoil an omelet of 16?

Mr. McNiece. From my point of view; yes.

Mr. Hays. I think we both know what we are talking about. I hope you are not spoiled. Now we have heard a good deal of talk here about changing the social outlook from the usual concept. Now we can go for a long time debating about interpretations, and I suppose that you will agree with me that the social legislation of America has considerably changed in the past 2 decades; wouldn't you?

Mr. McNiece. Oh, definitely.

Mr. Hays. From the usual concept, we will say, of 1932?

Mr. McNiece. Yes.

Mr. Hays. To 1952 or 1954?

Mr. McNiece. Yes.

Mr. Hays. You wouldn't want to go back to 1932; would you?

Mr. McNiece. I might wish to selectively, but I wouldn't want to eliminate "selectively."

Mr. Hays. Well, in other words what you are saying is if you want to go back by yourself, you will go but you don't want to take the rest of us with you.

Mr. McNiece. Only if you wanted to go along, I believe in freedom choice.

Mr. Hays. Let me say to you that I will make my position clear: I don't want to go along.

Now, I am serious about something here and I am wondering, perhaps, if there is something the matter with me. I come from a long line of Republicans and some of them held pretty prominent offices in Ohio, and by all of the normal force of events I would have been a Republican, and I thought I was one up to about 1929 or 1930. And then I began to do some thinking, and I suppose this environment that I was in—what are we going to call Ohio State? A bad environment or a good one? You are on record as saying it is all right.

The Chairman. Ohio is all right.

Mr. Hays. How about Senator Bricker's university?

The Chairman. So far as I know, it is all right.

Mr. Hays. Perhaps the environment had something to do with it, but suddenly I began to have a different political and social viewpoint. I have to plead guilty to being for bank deposit insurance, and social security, unemployment insurance, and old-age pensions, and all of those things. At that time people were saying they were socialistic.

Now, do you say they are still socialistic today or not?

Mr. McNiece. Well, I would say that they are socialistic in trend, but you don't have to travel all of the way to the end objectives of socialism just because you take a few features out of it.

I have heard the statement made many times in the past that our whole educational system in this country is socialistic. But I wouldn't advocate doing away with our educational system.

Mr. HAYS. In other words, then, in effect you are admitting here in testimony that some parts of socialism might have been all right, is that right?

Mr. MCNIECE. No, I haven't admitted that.

Mr. HAYS. Didn't you say to take the best parts of it?

Mr. MCNIECE. I might if I were thinking of it in that connection, but I haven't thought of it in that connection.

Mr. HAYS. Then, in other words, what I am driving at, Mr. McNiece, when you toss around—and I am not pointing a finger at you any more than perhaps at myself, or other members of the committee—the word "socialism," it could have as many different meanings as there are people in this room, couldn't it?

Mr. MCNIECE. Well, I have talked with a few Socialists, and I have read a bit of their discussions, and I would say that they differ—and by "they" I mean Socialists—they differ as much in their party as Democrats and Republicans differ in their individual parties, and there isn't any one particular line of reasoning and thought on which all members of the socialists or anyone else agree.

Mr. HAYS. Is there anything in the Socialist Party that would prevent a socialist from being a good loyal American?

Mr. MCNIECE. I would say not of the type, let us say, of Norman Thomas.

Mr. HAYS. You agree with President Eisenhower, that he is a good, loyal American, and he said so the other day according to the newspapers, because I was a little surprised. I got the impression from being around here 6 years that something was wrong with him. I don't know Mr. Thomas.

Mr. MCNIECE. I don't know him either, but I wouldn't assail him on the basis of lack of knowledge.

Mr. HAYS. I don't mean to impugn him at all, but I am wondering if you and I can come to any kind of an agreement on that.

The CHAIRMAN. Would you permit an interruption?

Mr. HAYS. Would you let me finish my thought and then I will be glad to.

What I am driving at is this: Because a man is a socialist or calls himself a socialist is that any reason why he couldn't be a loyal American? You see some people down here—I will try to explain what I am driving at—some people say socialists and communists are one and the same and I have always been led to believe that they aren't. Some people tried to give the term "socialists" a dirty connotation, and I am wondering if it has that in the public's mind? I am wondering if that is justified?

Mr. MCNIECE. I would say unquestionably from my own observation and experience that some socialist objectives, to use your word, have a dirty connotation. My own feeling is that a Communist might be defined as a Socialist in a hurry.

Until the Communists came into this country more or less officially in 1919 there was a very close affiliation between the Socialists and the IWW—the International Workers of the World. The Communists, when they did come into the country, alined themselves very closely with the Socialist Party. They were not divorced until grad-

ually, several years later. Tractenburg, who was named by Mr. Budenz under oath as one of the active Communist leaders in this country, appointed to the committee to infiltrate or penetrate our cultural associations here, including foundations, was originally a member of the Socialist Party in this country. It is so recorded in the publications of the International Socialist League. I have seen the names there myself.

Now, there are others, and other members prominent in the Socialist Party in those earlier days who divorced themselves from the party and joined the Communist circles when the Communists became active in this particular country.

Mr. HAYS. But you don't differentiate between the two except one of them is in a bigger hurry than the other one.

Mr. MCNIECE. Again, I would say I would have to make an additional differentiation, just as I would between different groups in the Republican or Democratic Parties.

There are some Socialists who wish to go the full distance insofar as complete public control of all productive facilities are concerned. They have identical objectives with the Communists except they are going to be a litle more patient and instead of attaining those objectives by revolutionary methods, are willing to battle for a long time through the ballot box.

Only recently Norman Thomas has said that we have gone further on the road toward our objectives, or toward socialism, I have forgotten the exact quotation, "than I would have dreamed possible a few years ago without Socialist victories at the polls."

Mr. HAYS. Now, then, we had a social security bill passed here this week, and everybody but 8 Members of the House voted for it. Are all of us—and I am one of them, and I don't know about the other members of the committee—is every one of us who voted for that except the 8, are we Socialists?

Mr. MCNIECE. I would certainly not define a Socialist by any such pretext as that, definitely not.

The CHAIRMAN. Would you permit an interruption, with the Congressman's permission?

Without characterizing Mr. Thomas, whom I have known for 35 years, and for whom personally I have a very high regard because certainly he is honest in presenting his position, and there is no deception about where he stands——

Mr. HAYS. Are you not afraid of being investigated for saying that?

The CHAIRMAN. But he is a Socialist. I am not a Socialist myself, whatever else I might be, that is something I am not. And here, as I get it, is the heart of socialism. We talk about various pieces of legislation that might in some degree impinge upon or advance the authority of the Government in some degree over the people and, of course, practically every governmental action does that to a degree, and might to that extent be characterized in a degree of socialism.

But in this conclusion of the Commission on Social Studies, on page 12, it sets out there what I consider to be pretty much the heart of socialism:

There is a notable waning of the once widespread popular faith in economic individualism; and leaders in public affairs, supported by a growing mass of the population, are demanding the introduction into economy of ever wider measures of planning and control * * *

*** * * the age of individualism is closing, and that a new age of collectivism is emerging.**

As to the specific form which this "collectivism" is taking and will take in the future, the evidence at hand is by no means clear or unequivocal. It may involve the limiting or supplanting of private property by public property or it may entail the preservation of private property extended and distributed among the masses * * * and will represent a composite of historic doctrines and social conceptions yet to appear.

Socialism here is indicating its final accomplishment will either do away with private property, or, in legal phraseology "entail" the preservation of private property—extending and distributing it among the masses. Now, that is characterizing socialism in the sense of the word in which I have felt it exists, and that is embodied in the conclusions of one of these studies that was foundation-financed.

Mr. McNIECE. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. HAYS. You, I hope, facetiously accused me of diversionary tactics, and now that is all right. You are sort of getting diversionary here with me and going from place to place, but that is all right, I will just divert with you, and let us go over to that.

The CHAIRMAN. I am just trying to keep things pointed up.

Mr. HAYS. That is a difference of opinion, isn't it? I will divert and go over to page 12 with you.

Now Mr. McNiece, in the conclusions and recommendations of the Commission on Social Studies, you cite this as their conclusions. Did the whole membership of this Commission sign this report, or did anybody sign it, or do you know?

Mr. McNIECE. No, I think I mentioned that in here somewhere. There were 14 members of the original board. Nobody resigned from it. Out of the 14, 10 signed the final report, and 4 did not sign it. They did not offer any dissident statement, and nobody knows why that was done. I have covered that in the next section, where I get into the planning end of it.

Mr. HAYS. Was the then superintendent of the schools of the District of Columbia among the members of that commission?

Mr. McNIECE. He was among the members of the commission that refused to sign, or did not sign at any rate.

Another one was Charles E. Merriam, to whom I devote considerable attention in the next section of this report, and another one was Edmund E. Day, now deceased. Merriam also is deceased. Edmund Day was president of Cornell University. I have forgotten, but I may be able to find it here, the fourth member. It is Ernest Horne.

From the record itself, Frank A. Balleau, who was formerly Superintendent of Schools here in the District of Columbia, and Edmund E. Day, and Ernest Horne, and Charles E. Merriam declined to sign.

Mr. HAYS. Now, then, going on to page 12, I want to quote again one sentence there, and I would like to ask you to take a mental jump back 20 years to 1934:

The leaders in public affairs supported by a growing mass of the population are demanding the introduction into the economy of ever wider measures of planning and control.

Do you think that that statement has any validity or not, historically?

Mr. McNIECE. I am inclined to believe that it does have a historical basis.

Mr. HAYS. I think so, too. Now, where were we before we got pointed up here?

The CHAIRMAN. While he is searching his records, some reference was made a while ago about getting in a hurry. I was looking through your testimony to find one of these reports where they used it. They were speaking about one method of educating the children, and ultimately getting the great masses educated in this collectivist type of thinking, and somebody said that they were too slow and they were in a hurry, and that was the phrase I was looking for.

Mr. HAYS. Now going back to page 6, you listed these 95 individuals, and you say that—

these grants were made to professors, authors, lecturers, and educational groups and so forth, all virtually without exception were included within educational circles. It should be obvious that with the passage of time, the activity of this many people and organizations—

and I assume you mean all 95 of them——

Mr. McNIECE. That is right.

Mr. HAYS (reading).

dedicated to spreading the word in the educational field would have an influence out of all measurable proportion to the relative value and number of grants.

How many people would you say would be in the educational field, Mr. McNiece?

Mr. McNIECE. Are you talking about the——

Mr. HAYS. You used the term, and I don't know.

Mr. McNIECE. I am asking you what you mean by people in the educational field, do you mean all of the teachers of the country; is that right?

Mr. HAYS. I would think so, yes, and superintendents.

Mr. McNIECE. I would think the NEA estimate is approximately 500,000 teachers in the schools.

Mr. HAYS. Wouldn't you agree with me, Mr. McNiece, that that is a sort of an insult to the intelligence of 500,000 teachers, to say that 95 people can influence them in some sort of collectivist trend?

Mr. McNIECE. No, I wouldn't say it was an insult to them at all, because those 95 people, more or less, are not spending their time solely in trying to influence teachers. They are also spending their time at their own working levels, wherever they may be. I have pointed out in another section here somewhere, that it is from the hard core of policymaking levels that these things come, and I quoted evidence to show that that thought in one form or one word or another is recognized in the educational field. That is, to get further faster; I think that phrase was used in one of the Ford Foundations' reports——

The CHAIRMAN. That is what I was looking for.

Mr. McNIECE. Yes, it is necessary to concentrate——

Mr. HAYS. Now, Mr. McNiece, wouldn't you say that down through the years, the American people, the teachers and the whole American public have had hundreds and thousands and tens of thousands of ideas put before them, since the inception of this Republic; the Populists and the Greenbacks and the Know-Nothings, and the political philosophies without end, and you certainly wouldn't, or would you, argue that in this plot psychosis theory that you seem to set forth, that

you believe the majority of Americans can't be trusted to make an intelligent choice from all of these ideas that are put out? That they are going to be sort of herded like sheep into something that they don't want to go into?

Mr. McNiece. I cannot be sure of this statement because it falls into the class of hearsay, but I have been told that there is a very large proportion of the teachers in the public schools of the United States who are greatly opposed to this effort, let me say, of the central core toward collectivist teaching. I have even been told that a large number of them would rally, if they had the opportunity, around another influence.

Now, as I have told you, it is hearsay on my part.

Mr. Hays. What influence are you talking about?

Mr. McNiece. I am talking about——

Mr. Hays. Is it NEA? Are you talking about an influence now? Let us name names, and is this influence the NEA or what is it?

Mr. McNiece. I am not naming names, except in the form of associations, out of which these movements are developing. There they are, in that central block of rectangles, suspended from the foundations, and then they have spread out through the whole web or fabric of the institution, into government and also into education.

Mr. Hays. What has spread out?

Mr. McNiece. This collectivist influence that we are talking about, that is the main theme of this report.

Mr. Hays. Well, now, just exactly, can you define this collectivist influence for us, and that is another term that is tossed about here.

Mr. McNiece. I think it is defined by the excerpts themselves, and the educators themselves have used it. If I look through this book——

The Chairman. Does this have effect on page 40, Education for Tomorrow:

> We submit to the membership of the NEA that its roll in life of the Nation would be greatly enhanced if it identified itself with an ideal of social living, which alone can bring the social crisis to a happy resolution, a collectivistic and classless society.

Mr. Hays. Now we are going over to page 40.

The Chairman. I thought that kind of pointed up there.

Mr. McNiece. Page 23 is the one that you were looking for.

Mr. Hays. He was quoting from page 40, and let us settle this page 40 deal first. And now what is this from on page 40, Mr. McNiece? Could you tell us what that is?

Mr. McNiece. Yes, that is from the editorial, it appears almost exactly the center of the page, page 7, Educating for Tomorrow. That is from the Social Frontier, a journal of educational criticism and reconstruction.

Mr. Hays. What do these names, Charles A. Beard, Henry P. Fairchild, and John Dewey, and Sidney Hook and Goodwin Watson have to do with the whole ball of wax?

Mr. McNiece. I quoted from the title page of the magazine.

Mr. Hays. And they are associated with it, and thereby if this is bad, they are involved; is that right?

Mr. McNiece. I didn't want to give only part of the page, and I even gave the price of $2 a year.

Mr. Hays. Mr. Wormser, could we get you to take the stand for about a minute right here?

The CHAIRMAN. Just a minute.

Mr. HAYS. I have some questions right along that.

The CHAIRMAN. Mr. Wormser is not a witness and the committee will decide whether he shall be called or not. I don't want to proceed in such a fashion. We don't want to follow——

Mr. HAYS. I will ask him the question without taking the stand.

The CHAIRMAN. We don't want to follow the procedure of some of the other committees of just yanking anybody that happens to be around, before the committee as a witness. We want an orderly presentation here, and it might very well be that Mr. Wormser should in due time be qualified, and testify as a witness, but at this period at least he is our counsel.

Mr. HAYS. Well, let me say, Mr. Reece, he is your counsel.

The CHAIRMAN. He is the committee's counsel.

Mr. HAYS. And I have no objection to you calling him the committee's counsel, but I will state right here in public that I don't have any private line that I can pick up the phone and without even dialing a number have it ring down there and get Mr. Wormser whenever I want him. And so if he is a committee counsel, the minority ought to have that same setup, oughtn't they?

Will you answer a couple of questions for me, Mr. Wormser, without being under oath, and I think that you are an honorable man.

Mr. WORMSER. Thank you.

Mr. HAYS. And let me say, Mr. Chairman, that you are the one who wanted everybody sworn here in the beginning and I was only trying to play your game according to your rules.

The CHAIRMAN. If he is going to testify, I want him sworn, too.

Mr. HAYS. Let me ask you this, this Sidney Hook—and I don't know him, do you know him?

Mr. WORMSER. Yes, sir.

Mr. HAYS. Do you think he is a Communist?

Mr. WORMSER. I have no idea. I don't think he is.

Mr. HAYS. Did you consult with him at all about how to run this investigation?

Mr. WORMSER. No, I had a conference with him and two other professors at New York University at the request of Dean McGee of the School of General Education.

Mr. HAYS. About this Reece committee investigation?

Mr. WORMSER. One aspect of it, one particular aspect of it. Which I would be very glad to discuss with you if you would wish.

Mr. HAYS. Did he give you any specific advice that we could find useful here?

Mr. WORMSER. Well, yes; I suppose he did. The particular thing that I was interested in was the criticism that the foundations had overemphasized empiricism. I discussed that with Dean McGee, and with Chancellor Held, of New York University. Subsequently, Dean McGee was the dean of the faculty on the periphery of which I have a position and suggested it might be interesting to talk to three of his professors. Sidney Hook was one, and I have forgotten the names of the other two.

We had a very interesting informal discussion on empiricism, in the course of which I learned a great deal.

Mr. HAYS. Now, then, let me ask you this: Do you think Sidney Hook's name being associated with John Dewey here is any reflection on Mr. Hook?

Mr. WORMSER. Well——

Mr. HAYS. Apparently, I get it he is one of the authors of this thing, of this horrible thing Mr. Reece is reading from.

Mr. WORMSER. Mr. Beard talked to me at Columbia, and I had the highest respect for him, and Sidney Hook spoke on the same platform that I spoke in my hometown of California a week apart, and I respected very much what he had to say. I have no personal criticism of Professor Hook at all, and I like the man. I know very little about his points of view.

Mr. HAYS. I am glad to hear you approve of Mr. Beard, Professor Beard. In other words, just the fact that here are their names and associated with these bad ideas, they are still pretty nice people.

Mr. WORMSER. Are you asking me the question? I was devoted to Professor Beard and that was no characterization of his beliefs.

The CHAIRMAN. You don't agree with all of his beliefs?

Mr. WORMSER. I certainly do not.

Mr. HAYS. I am glad to hear you say that. I would hate to think that you would agree with all of anybody's beliefs. That is the whole crux of this hearing: Are we trying to sit here and say that we are going to decide what people believe in or not?

The CHAIRMAN. Certainly not. I will come on the stand myself on that point.

Mr. HAYS. I may ask you to take the stand before we are through.

The CHAIRMAN. Since I referred to getting somewhere in a hurry, I found the quotation.

Mr. HAYS. What page are we going to now?

The CHAIRMAN. Back on page 23. It is in reference to the report of the behavioral sciences division of the Ford Foundation, published last year. [Reading:]

> In sum then, the foundation's hopes and expectations significantly to advance the behavioral sciences—to get further faster, through the temporary concentration at one place of the ablest scholars and the most promising young people studying together in the most effective way that the state of the field now permits.

Mr. HAYS. Is that bad?

The CHAIRMAN. It is the concentration angle of it.

Mr. HAYS. We are going to get Ohio State to be a subversive organization yet, because I had a coach out in track there and it was his slogan to get the further faster. I used to run the half-mile, and he didn't think I got far enough fast enough. You know something, I think the Ford Foundation or whoever did this stole that phrase, anyway, because I think that that thing goes back—to get there "fustest with the mostest"—which I have always thought was a pretty good sound, military concept.

The CHAIRMAN. Just to get there first helps a lot.

Mr. HAYS. What I want to know now, is that there isn't anything wrong with getting further faster, is there?

The CHAIRMAN. It depends on which direction you are traveling.

Mr. HAYS. Well, now, I think that points up a very interesting thing and without bringing politics into this hearing, and it hasn't

come in yet, I know, if we get there faster in November than you do, that is going to be bad from your point of view, isn't it?

The CHAIRMAN. It wouldn't be very gratifying. In one of my speeches, if I remember correctly, one time I used the phrase, "It is not the length of the step that counts in life, it is the direction," and so that is what I am interested in.

All we are trying to do, in making this study, is to find out the direction and not the speed with which this movement, without characterizing it, may be advancing.

Mr. HAYS. Well the whole thing, doesn't it boil down, Mr. Chairman, to a sort of debate about what is for the public welfare? Some of these people, Mr. Wormser has testified here informally giving his opinion that Professors Hook and Beard are pretty nice people. You don't think that they are subversive?

Mr. WORMSER. I didn't say that I agreed with their opinions, Mr. Hays.

Mr. HAYS. I understand that, but do you agree they have a right to have their opinions?

Mr. WORMSER. Of course.

Mr. HAYS. Since we are pointing this up, I don't see any point in trying to go page by page, and we will hop in wherever we feel like it, let us look at page 12. We were talking about that a little while ago, weren't we? I believe we agreed that that sentence I read that—

> the leaders in public affairs supported by the growing mass of the population, are demanding the introduction into the economy of ever wider measures of planning and control—

and you agreed that that was pretty sound.

Mr. MCNIECE. That the leaders are, or were; yes.

Mr. HAYS. Mr. McNiece, if these conclusions here which you have cited, and which some of the group didn't sign, if they are the honest conclusions of the people who did sign it, and you and I may not agree with it, certainly I don't agree with everything in there, and as a matter of fact in retrospect, looking back 20 years I might not agree with a great deal of it—but is there anything wrong with their saying it?

Mr. MCNIECE. Anything wrong with what?

Mr. HAYS. With saying this is their conclusions in 1934?

Mr. MCNIECE. Again I question the judgment of men who are represented, and especially in the Carnegie appraisal afterward, as leaders in their field. I certainly question them, even under the stress of chaotic conditions, many of which thoughtful people, based on precedent and analysis, would know were temporary. It would assume we were entering into an age of transition.

Mr. HAYS. In other words, you are questioning their judgment in saying this.

Mr. MCNIECE. But not their right to say it.

Mr. HAYS. That is right. Well, now, then, what would you have teachers and people in the educational field do, just remain silent and not express any opinions about anything?

Mr. MCNIECE. That isn't inferred in any of the testimony I have given.

Mr. HAYS. Well, the inference is—in fact there is more than in inference—you are questioning their judgment in saying this, and now

I am asking you first what is wrong with it. Then you said that you thought it was bad judgment, but you didn't question their right. So it seems to me that the question automatically follows "What would you have them do?" Anybody who makes a statement about anything runs a risk 20 years later of having someone look at it in retrospect and say, "Boy, what a lousy prophet he was."

You wouldn't have everybody keep still for fear they would look bad 20 years hence?

Mr. McNIECE. Your statements are very categorical statements. I think we have to admit that in the verbatim transcript. Some other groups refer to the period, and to these policies, as experimental, but as we get further and further down the line to the working level, we find that these so-called experimental ideas are being impressed on the great mass of the population through both Government and education.

Mr. HAYS. Could I finish? I have about two more related questions here, if you don't mind.

Now, Mr. McNiece, a lot of things that people said in 1934 have been proved wrong by the years, and the years have a way of taking toll of ideas as well as individuals. A lot of those things have been proven wrong. You have gone back and based a good deal of this document on things 20 years or more ago.

I am wondering if perhaps the New Deal and the Fair Deal, which has been mentioned here, contrary to what it has been accused of, hasn't killed a lot of this business that you are talking about, because a lot of it is less evident now than it was in 1934 or else you would have cited now instead of 1934, wouldn't you?

Mr. McNIECE. We have brought virtually all of these flows—if I may use the word in that sense—up to date in what I expect to be the final version of my participation in this. In other words the economic report will indicate that the same trend is more or less continuing, the trend which starts back in 1934.

Mr. HAYS. Let me say to you, and I will not ask you any more questions, Mr. Reece and I have agreed that it is probably time to adjourn for today, that perhaps you ought to change the title of that next one before you bring it in, because when you put the word "economics" in it you begin to cast some doubts on it right off, don't you?

It reminds me of the story a little bit, about when I went back to this university that has been mentioned here a few times, this summer, or early spring—it was along in April or March. I hadn't been out to Columbus for a long time and I was asking about various professors that I had remembered when I was there. Some of them were dead and one I particularly asked about whom I won't mention, an economics professor, and I said to this friend of mine "Whatever happened to him?" And he said "Well you won't believe it, but he is still around and he is still teaching economics."

And I said "Well that is amazing," because it has been longer than I like to think, and he seemed like an old man then, and he said "Well, the most amazing thing is that he is giving the same 10 questions in final examinations that he gave when you were here."

And I said "Well, the boys ought to be getting pretty good grades in economics, better than I did, because they have had a good many years to learn the answers to the questions."

And he said, "That is just the point; the old cuss has changed the answer every year."

The CHAIRMAN. The committee will meet tomorrow through the courtesy of Mr. Hays' committee, at the Banking and Currency Committee room, 1031, in the New House Office Building. That will be at 10 o'clock.

(Whereupon, at 4:30 p. m. the hearing was recessed to reconvene at 10 a. m. Friday, June 4, 1954.)

TAX-EXEMPT FOUNDATIONS

FRIDAY, JUNE 4, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10 a. m., pursuant to recess, in room 1301, New House Office Building, Hon. Carrol Reece (chairman of the special committee) presiding.

Present: Representatives Reece, Goodwin, Hays, and Pfost.

Also Present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; John Marshall, chief clerk.

The CHAIRMAN. The committee will come to order.

Mr. Wolcott is out of town; Mr. Goodwin had to stop by the Ways and Means Committee for a minute, but will be here in a very short time. I think we might as well proceed.

Would you be sworn, Dr. Rowe. Do you solemnly swear the testimony you are about to give in this proceeding shall be the truth, the whole truth, and nothing but the truth, so help you God?

Dr. ROWE. I do.

TESTIMONY OF DAVID NELSON ROWE, YALE UNIVERSITY, NEW HAVEN, CONN.

Mr. WORMSER. Would you state your name and address for the record?

Dr. ROWE. David Nelson Rowe, business address, Yale University, New Haven, Conn.; home address, Hamden, Conn. Do you want the street number, and so on?

Mr. WORMSER. I think that is enough.

I have some notes of biographical material on Professor Rowe. Would you correct me if I make an error in reciting your accomplishments?

Dr. ROWE. Yes.

Mr. WORMSER. Professor Rowe was born in China. He got an A. B. degree at Princeton, an M. A. at the University of Southern California, Ph. D. at Chicago. He was a fellow at the University of Chicago from 1933 to 1935; a fellow of the Rockefeller Foundation from 1937 to 1938. He held a postwar fellowship from the Rockefeller Foundation in 1948–49. He received an honorary M. A. degree from Yale University in 1950.

He lectured at Princeton from 1938 to 1943. He was successively assistant professor and associate professor and full professor at Yale

in Political Science. He has been research associate at the Institute of International Studies from 1943 to 1951, a director of the Staff Officers School for Asiatic Studies from 1945 to 1946; a director of undergraduate and graduate studies, from 1946 to 1948; director of graduate studies on Asia, 1949–51; associate in Government at Barnard College, Columbia, 1945–46; lecturer at the National War College in 1947–48 and 1950; member of the Yale Executive Committee on International Relations, 1950 to the present time. Doctor of studies on human resources, 1951–53.

Dr. ROWE. Pardon me; that is Director.

Mr. WORMSER. Director. He taught summer school at the University of Chicago in 1935; at the University of Michigan in 1947. He was research analyst, Special Defense Group, Department of Justice, in 1941; Special Assistant to the Director of the Bureau of Research and Analysis, OSS, 1941–42.

Dr. ROWE. Pardon me; that is Bureau of Research and Analysis.

Mr. WORMSER. Consultant at the Library of Congress, 1943. Member of the war and peace study project, Council on Foreign Relations, 1943–45. A member of the International Secretariat, United Nations Conference on International Organization at San Francisco in 1945. Special consultant to the United States Information Service, United States Consulate, Shanghai, 1948. Consultant to the United States Air Force in 1950–52. Consultant to the Stanford Research Institute in 1951–52.

I have no record of your writings, Professor Rowe. Would you state those in summary?

Dr. ROWE. I don't know that I can state them all, sir, but I will try to remember the chief items. The book published under the auspices of the Yale Institute of International Studies in 1944, entitled, "China Among the Powers"; a book of which I am coauthor, entitled "American Constitutional History," which was published, I believe, in 1933. I may be a little off on that date. A book which I edited for the Yale Press, entitled, "Journey to the Missouri," which was published in the summer of 1950.

Those are the chief works. Then there are probably 20 or so articles published in various journals which center about the two general fields. One is Far Eastern Affairs, and the other is Public Opinion and Propaganda Studies. Some of the studies on Far Eastern affairs are in the field of public opinion and propaganda, so I bring these two things together here.

Other studies in the Far Eastern field, and articles involve constitutional matters, matters of foreign policy, international relations, and so forth. I can provide the committee with a detailed list of all these publications if you are interested.

Mr. WORMSER. I don't think that is necessary. I think I can safely state, Mr. Chairman, that Professor Rowe is one of the country's very outstanding experts on the Far East.

Mr. HAYS. Mr. Wormser, just one further question at this point to further qualify Dr. Rowe.

Professor, you said you are in the Department of Political Science; is that right?

Dr. ROWE. That is correct.

Mr. HAYS. Could you give me some idea; I assume that is divided into different phases. Just what are some of the courses that you conduct?

Dr. ROWE. My work in political science by now is limited entirely to a field we might call government and politics of the Far East. All of my teaching is comprehended within that field.

Mr. HAYS. Thank you. That is what I wanted to know.

The CHAIRMAN. You have a very impressive record of accomplishments for a young man, Dr. Rowe.

Dr. ROWE. Thank you for both saying that it is a real accomplishment and also for using the word "young." That is a very happy word these days.

The CHAIRMAN. Mr. Wormser, what is your desire as to the method of procedure?

Dr. ROWE. Before we go, may I make one insertion in my biography, which I think has relevance? It was mentioned that I had a fellowship from the Rockefeller Foundation in 1937–38, and other grants, at least one of which was mentioned, but I think it should be mentioned that from 1935 to 1937 I was a fellow in humanities at Harvard under a General Education Board fellowship. This was a 2-year business, and I think it is rather important to get that in the record also in the biography.

Mr. WORMSER. Professor, in view of these associations with foundations, I think you might make clear to the committee initially your position about foundations. I understand from what you told me last night that you consider that your own career was somewhat built on foundation assistance.

Dr. ROWE. There is no question about that at all. I would like to make a rather forthright statement here that for me to repudiate foundations would be to repudiate myself. I am a product of foundation help. If you don't mind my using a figure of speech, I am a graduate of the old foundation college. As a loyal alumnus I still reserve the right to criticize, and I think that as a loyal alumnus criticisms would probably be welcomed in the spirit in which they are given which I hope is a constructive one.

But my entire career in the Far Eastern field has been made possible by foundation assistance. This has to do with the efforts of foundations through various other organizations, but in my case always direct foundation help to fill up some of the big obvious loopholes in the American educational system.

One of these obviously 20 years ago was in the Far Eastern field. When I say this great deficit in American education existed 20 years ago, all you have to remember is that today the number of university centers in this country at which you can find full-scale programs of Far Eastern studies does not number over about 10 or a dozen. So we still have a long way to go.

This thing was kicked off—the initial impetus was provided by people in foundations and the Council of Learned Societies, and other organizations who in assessing American education decided that this was one of the great areas which ought to be provided for.

I can go on and talk about this experience at considerable length. I want to add only one more thing here, subject, of course, to any questions you have. At the outset this job was conceived by foundations in terms of a personnel training program. It always seemed to me that the foundations were on absolutely sound ground in thinking of the problem that way. I have somewhat different feelings about some of the activities of foundations today in which I feel they have

turned away from the fundamentals—some of them, at least—of personnel training to programs of sponsoring research.

Here is where the foundations, I think, have gotten into some of their most serious difficulties, and made what I at least consider to be some of their more serious errors.

Some of the foundations have started turning back to the old approach. The Ford people, for example, have initiated 2 or 3 years ago a very large program of personnel training for the purpose of feeding these people into the research and teaching and scholarly work that must be done in this field if we are ever to really understand the Far East and preserve our national interest in respect to it. But other foundations have decided to place the major emphasis upon sponsorship and promotion of research. Here I think is where some of the great problems arise.

I just wanted to make that clear at the outset.

Mr. HAYS. Right there, Professor, could we just elaborate on that a little bit? You say that you think they made a mistake in concentrating on research.

Dr. ROWE. Could I correct that?

Mr. HAYS. Yes.

Dr. ROWE. I don't say they made a mistake in concentrating in research, so much as I say that it is in respect to these research programs sponsored by and financed by the foundations that some of the biggest mistakes have been made.

Mr. HAYS. Could you be specific and mention a couple?

Dr. ROWE. I would say that the big error of the foundations along this line has been to try to project into the universities what I term the so-called cooperative, or group method of research. This gets us onto rather technical grounds. Here I want to put in the parenthetical statement that, and that applies to all of my testimony, namely, that I am here giving expression to my own individual opinions. I don't speak for any organization. I certainly don't speak for my university, let alone for all of my colleagues in the university, among whom I am sure will be found many people who will disagree with much that I say.

Mr. HAYS. That is an interesting statement. I don't want to interrupt your thought, but I would like to develop these things as we go and since you don't have a script, I believe you will agree that is about the only way we can do it. I am not interrupting you in any antagonistic fashion.

Dr. ROWE. Any way you want to conduct it.

Mr. HAYS. In other words, at Yale University, where you are now situated, there is a great divergence of opinion on these fundamental matters.

Dr. ROWE. I am sure there must be.

Mr. HAYS. It has not happened that the foundations or anybody else have been able to channel the thinking down one narrow channel.

Dr. ROWE. This has not happened, but that does not mean that efforts are not constantly being made. That is the point I wish to make.

Mr. HAYS. I had an idea that you might make a point from having read some of your previous testimony. What I would like to get at is this. You say that an attempt has been made. Can you give us any specific examples?

Dr. ROWE. Yes; I definitely can. The effort to influence the content of area programs at Yale has been made by at least one foundation that I know of, namely, the Carnegie Corporation. I can't give you the precise date of this, but I would judge it was in about 1947. I think that isn't too much to say that this incident is rather typical of some types of foundation activity that are going on today. I don't pretend to know how constant they are or how general they are around the country.

This involved an effort on the part of the Carnegie Corporation through one of its representatives by the name of John Gardner, I believe, to influence the administration of Yale to eliminate the work we were doing in the far-eastern field and to concentrate our work on the southeast Asian field. This was a rather surprising suggestion. Yale has a long tradition of interest in the Far East. You may have heard of the organization known as Yale in China.

At the time this suggestion was made, we were spending a considerable sum of money each year on faculty salaries for teaching and research in the far-eastern field.

Mr. HAYS. What year was this, sir?

Dr. ROWE. I think it was about 1947. I can't give you the precise date.

Mr. HAYS. Just so we get some idea.

Dr. ROWE. Yes. This had to do with the desire on the part of Yale to develop and expand its work in the southeast Asian field, where again we had important work for a number of years. We have had some eminent people in the southeast Asian field for years in the past.

In this connection, the visit of Mr. Gardner to the university was undertaken, I believe, at that time the dean of Yale College was in charge of the whole foreign area program, and I was working directly under him as director of graduate and undergraduate studies as the biography indicated. We were rather shocked at Mr. Gardner's suggestion that we drop all our work on the Far East and concentrate on southeast Asia.

The dean questioned Mr. Gardner as to why this suggestion was being made. In the general conversation that followed—I got this second hand from the dean, because I was not present then—the philosophy of the foundations along this line was brought out. They look upon their funds or tend to look upon their funds as being expendable with the greatest possible economy. That is natural. They look upon the resources in these fields where the people are few and far between as scarce, which is correct, and they are interested in integrating and coordinating the study of these subjects in this country. Therefore, the suggestion that we cut out far-eastern studies seemed to be based on a notion on their part that no one university should attempt to cover too many different fields at one time.

The practical obstacles in the way of following the suggestion made by Mr. Gardner at that time were pretty clear. There were quite a few of the members of the staff on the far-eastern studies at that time who were already on permanent faculty tenure at Yale and could hardly have been moved around at the volition of the university, even if it had wanted to do it. The investment in library resources and other fixed items of that kind was very large. The suggestion that we just liquidate all this in order to concentrate on southeast Asian studies, even though it was accompanied by a suggestion that if this

kind of a policy was adopted, the Carnegie Corp. would be willing to subsidize pretty heavily the development of southeast Asian studies, was met by a flat refusal on the part of the university administration.

Subsequently the dean asked me to write the initial memorandum for submission to the Carnegie Corp. on the basis of which, without acceding to their suggestion that we eliminate far eastern studies from our curriculum, that we wanted to expand our southeast Asian studies with their funds.

They subsequently did give us a grant for this purpose, and they have given a second grant. I don't know precisely what the amounts were in either case.

The only reason for my giving you this incident in somewhat detail is to indicate what I consider to be a real tendency in foundations today—in some foundations, not all—to adopt a function of trying to rationalize higher education and research in this country along the lines of the greatest so-called efficiency. I used the word "so-called" there designedly, because in my view, the notion that educational and research and scholarly efficiency can be produced this way in a democratic society is unacceptable. It seems to me that in a democratic society we have to strive for the greatest possible varigation and differentiation as between universities along these lines, and the suggestion that any one university should more or less monopolize one field or any few universities monopolize one field, and give the other fields to others to do likewise with, it is personally repugnant to me. It does not jibe with my notion of academic freedom in the kind of democratic society that I believe in.

Mr. HAYS. Professor, right there, research itself is oftentimes rather wasteful, isn't it? Just by the very components of research. You go up a lot of blind alleys at times before you come out with an ultimate project.

Dr. ROWE. You have to define there what you mean by wasteful.

Mr. HAYS. You don't always come out with a concrete result every time you make an attempt. You have to make some false starts, and you back up and go down another street, so to speak.

Dr. ROWE. This is in the nature of an experimental method and approach. You know one thing about research is that it is not always aimed at so-called concrete results. I don't feel it should.

Mr. HAYS. But it is aimed at producing something, a definition or a fact.

Dr. ROWE. That is one of the most difficult things to get agreement on, as to what the objectives of research should be. The easiest, quickest way to get massive results is to engage in fact-finding for fact-finding's sake, or the mass accumulation of facts for the sake of accumulating facts. This produces stuff that is big and heavy in your hand, but I don't think it is any more valuable, to put it mildly, than the kind of research that allows a scholar the time for reflection and contemplation, out of which come many of the ideas and thoughts which alone can make valid framework for analyzing the great masses of data that may be accumulated, many times by people who don't have much capacity for effective thinking or for theory or don't have much inclination for that kind of thing.

Mr. HAYS. I am inclined to agree with you. We are not in disagreement there. I will put it this way. The kind of research you approve

of is also the kind of research that perhaps would bring out a good many varied shades of opinion; would it not?

Dr. ROWE. In my field, which is the field of political science—and I don't like the term "political science," because there is not much science in it——

Mr. HAYS. And very little relation to politics; wouldn't you agree?

Dr. ROWE. No, I wouldn't agree with that for a moment. I think it has a very high degree of relation to politics. Certainly the field I have something to do with has.

Mr. HAYS. I will qualify that by saying practical politics.

Dr. ROWE. I am not a judge of practical politics. All I know is that in the field I specialize in, practically everything I deal with is so highly controversial, of course, I have to face all the time the fact that politics largely deals with opinions, and the so-called objective facts to which you can get agreement are relatively insignificant both in number and in meaning.

Mr. HAYS. For instance, and I think this would have some direct relationship on what we are trying to develop here, there is a considerable difference of opinion right now apparently about what to do in Indochina. I believe you made recommendations on that previously; have you not?

Dr. ROWE. Two years ago, of course, as my testimony before the McCarran committee investigating the Institute of Pacific Relations shows, I anticipated the emergency in Indochina, and argued that any realistic and heavy intervention there by the Chinese Communists should be met first with an advance warning that if it took place we would meet such intervention with everything necessary, including our own forces, and second, that we should actively prepare for such intervention in advance to back up our threat or position on possible Chinese intervention.

Mr. HAYS. You did predict, I believe, that if a cease-fire were obtained in Korea, that the conflict would immediately widen in Indochina or spread there.

Dr. ROWE. That is correct. That was 2 years ago March.

The CHAIRMAN. Would you permit an interruption? At the time the truce was signed in Korea, for my own satisfaction—not that I anticipate it would have a very wide effect—I put a statement in the record that would be the effect of it. What I can't understand is why any advised authority was not so impressed at the time.

Mr. HAYS. Mr. Chairman, let me say that is one thing you and I must agree pretty thoroughly on because I am on record with almost identically the same statement. So Professor, you have here a very rare specimen in political science of you, the chairman and I agreeing.

Dr. ROWE. I don't know, Mr. Hays, whether I would agree that agreement is quite rare, but let us not argue that point.

Mr. HAYS. It has been in this committee, I will put it that way.

Dr. ROWE. You have the advantage over me. I have not been here before.

Mr. KOCH. May this be a new trend?

Mr. WORMSER. May I ask you, Professor, whether that incident at Yale involved the Carnegie Corporation or the Carnegie Endowment?

Dr. ROWE. I think it was the corporation. I believe that is correct.

Mr. WORMSER. May I go on?

Mr. HAYS. Yes.

Mr. WORMSER. As long as you are on that subject, Professor, I wonder if you would be willing to discuss the grant you mentioned to me last night. I think it was a quarter of a million dollars for a group study which seemed to be somewhat fallible.

Dr. ROWE. You are probably referring to the Rockefeller Foundation support of a group study at the University of Washington, at Seattle. I don't believe they ever made a single grant of $250,000, but I think the sum of their grants probably came to that much. This was a grant for the purpose of group research on the Taiping Rebellion, which was a rebellion which took place in China during the middle of the 19th century, about the same time as the Civil War was raging in this country. The importance of this rebellion can be seen from the fact that historians estimate that 20 million persons lost their lives either in the fighting as a result of disease, epidemics, destruction, and so forth, that raged up and down China from south to north during that period of 12 to 14 years, I think. The Taiping Rebellion has long interested historians, and it is worthy of a great deal of study. Here we get into a rather interesting conflict, it seems to me, between the attitudes of foundations on the scarcity of personnel and human resources in the far eastern field on the one hand, and their willingness to financially support a tremendously narrow focus of interest in research on the other hand.

There are a large number of highly controversial questions of method involved here. The question of how to conduct research. There is valid room for experimentation on these matters. But the least that can be said about the University of Washington project is that it was a rather drastic, in my view, experiment in the use of the so-called collective-research project, in which the individuals counted for a good deal less than the team. The team was put together and people blocked out areas of subject-matter, as I have understood it, and areas of data and evidence and worked on these, and their results were pooled in the shape of card files of detailed information on this episode in Chinese history, the idea being that out of this kind of a team pick and shovel approach, you get a lot of facts together, and out of these facts will be brought forth a series of monographic studies.

There is room for this kind of thing, but I always thought they went a little bit far with it, because I understood—and I beg to be corrected if I am wrong on this, I have never had any official connection with this project—I understood that they even integrated into their Taiping Rebellion studies the work of their doctoral candidates, so that people in Chinese history, for example, were brought in there and given support to write theses on some aspect of the Taiping Rebellion.

I thought that in view of the scarcity of human resources and the need for general training on Far Eastern matters, that this was focusing it down pretty firm. It is a wonderful project from the point of view of research. If you believe in gadgetry, this had all the gadgets you will ever want to find. If you believe that the best way to promote research is to pick out highly trained and able people and set them free in a general field, like Chinese studies, to follow their own interests wherever they may lead them, then you see this is the

very opposite of that kind of thing. It does achieve a certain kind of mechanical efficiency, it seems to me, at the expense of inhibiting the kind of thing that Mr. Hays was talking about, namely, the freedom of the individual to go down any number of blind alleys he wants to go down in the free pursuit of his curiosity, in the interests of honestly trying to come up with important things.

Mr. HAYS. Professor, I believe you used the word "experiment" in connection with this study. This is rather a radical departure from the traditional method of research. Did you mean to say that this was an experiment with this new type to see how it worked out?

Dr. ROWE. I don't know how they conceived of it from that point of view.

Mr. HAYS. Did they comment on it themselves, as to what they thought its value had been? Did anyone at the University of Washington do that?

Dr. ROWE. They are not through with it.

Mr. HAYS. They are still working on it?

Dr. ROWE. Yes. It is a monumental business.

Mr. WORMSER. May I interject this question, Mr. Hays, which I think might illuminate the whole area. There has been testimony, Professor, to the effect that the foundations have overemphasized empiricism and that their research grants have been overwhelminly directed toward empirical research. Is this perhaps an example of that approach?

Dr. ROWE. It certainly is an example of really massive attacks on evidence, by teams of people that emphasize the gathering of tremendous quantities of facts. Whether they propose after this to advance into the field of generalization and basic analysis on the basis of all this factual material is something that I have no knowledge of, and I think you would have to know the answer to that before you could comment justifiably on just what kind of research this is in the framework of your question.

Mr. WORMSER. You think there has been such an overemphasis on empiricism?

Dr. ROWE. Are you talking generally?

Mr. WORMSER. Yes.

Dr. ROWE. It would be very difficult for me to answer that question vis-a-vis all research sponsored by or supported by all foundations because I just don't have the knowledge necessary to make that kind of a comment. Taking it outside of the field of foundation support, I do think in my own field for example, the general field of political science, there has been an overemphasis upon empirical research at the expense of theoretically oriented thinking and analysis. There is a tremendous emphasis upon the census type of thing in political science. Statistics are coming into greater and greater importance. Whereas, this is of course always a valid tool for research workers, the emphasis here tends to detract from the kind of fundamental thinking about great issues and about values which characterize the work of earlier students of politics in the United States, such as for instance, President Wilson, and people of that kind. Those studies, of course, were rooted in history and rooted in law. To the extent that political scientists have tried to divorce themselves from historical and legal study, and from historical and legal background in their study, they have tended to become very pointed fact-gatherers, census-takers and

the business of arguing about great issues has been played down to this extent.

Of course, it is much easier and much simpler for political scientists to justify their existence on the basis of a mass production of factual materials than it is for them to justify their existence as great thinkers, because fact-gatherers are a dime a dozen and people who can think are hard to find. This is a comment on the fallibility of human nature. After all, political scientists are human beings.

Mr. HAYS. Professor, is what you are saying, in other words, that thinkers could not get the products of their thinking across because the people would not be able to comprehend and they can comprehend statistics?

Dr. ROWE. No; I don't mean to imply that. I mean to say that ideas and concepts and values are far more important, it seems to me, than much of the indisputable, completely noncontroversial factual material that political scientists seem to occupy themselves with so much in the present day.

Mr. HAYS. That leads me to a very interesting question, and that is this: In view of what you say—and I am inclined to agree with you that ideas have a great deal of value—what would be your comment on what seems to be a tendency in this country to hold a person responsible if they have an idea that does not work out? Something like in Russia, if you have a new idea there, and you try it out and it doesn't work perfectly, you are liquidated. There seems to be a tendency here that you better not have any new ideas. If you do, they better work perfectly or you are in trouble. Do you see that at all?

Dr. ROWE. I don't feel the pressure along that line as strongly as some of my colleagues seem to feel it, in spite of the fact that I have been in the minority in many of my own opinions. I feel this can be discussed in several different areas.

In the field of government, for example, I can express an opinion as an outsider who has never held public office. It has always seemed to me that in a democracy, anybody who is bold enough to take public office has got to have a thick skin. That is one of the attributes of people who are going to be a success in government in a democracy.

Mr. HAYS. I think we can agree on that without any question.

Dr. ROWE. That refers to everybody. I am not only talking about legislative people. I am talking about policy making people and people in the State Department.

Mr. HAYS. Cabinet officers.

Dr. ROWE. When they are complained about bitterly for having led us into error, they seem to feel that these complaints are unjustifiable. Maybe they are incorrect, but the are justifiable. The public has a right to kick anytime it feels like it.

In the academic and intellectual field, there is another possible area here. In the academic field, of course, we have what is known as academic tenure or faculty tenure. After they get permanent tenure in a university, providing they don't stray off the beaten path too far from an ethical point of view, people can say almost anything they want. I have never felt that any of my colleagues should be afraid to express their opinions on any subject, as long as they stay within the bounds of good taste and ordinary common decency. Nobody in the world is going to be able to do anything to them. This is fact and

not fiction. It is not fancy. Their degree of security is put there to be exploited in this way.

Now, of course, some of the people that complain most bitterly about the invasion of academic privilege along that line are those who indulge themselves in invading it. What, for instance, is a professor to think when people with money come along and tell his university that what he is doing there is useless and ought to be liquidated, because it is being done much better some place else?

We hear a lot of the use of the word 'conformity" nowadays, that congressional investigations are trying to induce conformity. The inducement of conformity by the use of power is as old as the human race, and I doubt if it is going to be ended in a short time. But one of the purposes of having academic institutions which are on a private basis is to maximize the security of individuals who will refuse to knuckle under to the pressures of money or opinion or anything of that kind. This problem is always going to be with us, because anybody that has money wants to use it, and he wants to use it to advance what he considers to be his interests. In doing so, he is bound to come up against contrary opinions of people who don't have that much money and that much power and whose only security lies in our system, whereby academic personnel are given security in tenure, no matter what their opinions are within the framework of public acceptability and security, to say what they want and do what they please, without being integrated by anybody.

Mr. WORMSER. Professor, this committee in some of the newspapers has been criticized in just that area. It has been said that it tended to promote conformity and exercise thought control or censorships. That of course is far from its intention.

I wonder if I gather from your remarks correctly you think that the foundations to some extent have tended to do just that?

Dr. ROWE. I would say that there are examples of foundations trying to engage in controlling the course of academic research and teaching by the use of their funds. As to whether this is a general tendency in all foundations, I would be very much surprised if that were so. But if this committee can illuminate any and all cases in which the power of foundations, which is immense, has been used in such a way as to impinge upon the complete freedom of the intellectual community to do what it wants in its own area, I should think it would be rendering a tremendous public service.

I am not prejudicing the result. I don't know whether you are going to prove any of this or not. But the investigation of this subject is to me not only highly justifiable, but it is highly desirable in an age when we are confronted all around in the environment in which we live with illustrations of how great power can be concentrated and used to prevent the normal amount of differentiation and variation from individual to individual, university to university and college to college. The totalitarian societies, of course, have none of this freedom in the intellectual field.

Mr. HAYS. Right there, Professor, I agree with you that at any time this committee can point up any abuse, it should do so. But don't you think that the committee should also in its evaluation and summing up of this say—we had the figure yesterday of 26 instances, one of the staff members said, of the foundations having gone astray. There was

some disagreement about the number of grants, but it was somewhere between thirty and forty thousand. Don't you think the committee ought to point out that in using the figure 40,000, which I think is probably correct, that in 39,974 cases, there has been no fault found?

Dr. ROWE. It seems to me that comes out of the statistics. It seems to me also, however, that if you are really interested in this subject of possible misuse of foundation funds, you have to concentrate very heavily on studying the total net effect of the 40 cases. You can't just say that the comparison is 40 out of 40,000. This is a use of statistics that I would think would be rather unsound. What you have to do is to try to study the total impact of the cases where they did go wrong, with every indication, it seems to me, that you are not interested in being destructive. You are interested in a constructive, helpful analysis. If it takes an investigation of this kind just to publicize the times and places and cases when foundations have gone astray—and it would not have been done otherwise—then I think everything you do, even if you find only 40 cases, is justified.

Mr. HAYS. You said earlier in your testimony that you are more or less a product of foundations yourself.

Dr. ROWE. That is right.

Mr. HAYS. Do you suppose it would be possible to find somebody who thinks that in producing the kind of thing that you represent that the foundations have made a mistake?

Dr. ROWE. I am positive you can find people like that.

Mr. HAYS. You see, the ground we are on here in setting ourselves up to decide what mistakes the foundations have made and what they are.

Dr. ROWE. I see you have a difficult task. I see that the so-called purely statistical approach to this task is not going to get you any place.

Mr. HAYS. And being fallible, our conclusions, even if unanimous, might be subject to some revision.

Dr. ROWE. I am sure the Supreme Court is even criticized for its unanimous decisions as we all know. But any time such criticism ends in this country, then I take it there won't have been any congressional committees for some time in the past.

Mr. HAYS. Let me say to you I am not advocating the ceasing of criticism or differences of opinion. As a matter of fact, that is what I like more than anything. I have enjoyed being on this committee because of the differences of opinion. But I don't want this committee or any committee of Congress to set itself up to say that there shall be no differences of opinion.

Dr. ROWE. My knowledge of congressional committees, of course, is very limited, but I have not had brought to my attention yet—you may be able to tell me some—cases where committees of Congress have set themselves up as the final law of the land. I do find a great deal of criticism of congressional investigations among my colleagues on the ground that these investigations are undesirable. Some of them say they are going so far as to infringe completely upon the power of the executive. There are many objections to them. But it seems to me that the control in this case is very obvious and very clear. If these committees are committees of Congress, they are in the final analysis subject to political control. They are subject to the control of the public. If the public makes up its mind that Congress is making mistakes, it may take a good deal of time for this to develop and have

its effect, but I have no doubt about what the ultimate outcome would be.

The CHAIRMAN. Any reference to this statistical data raises some question in my mind whether we may not be falling into the error of empirical research. As I understand it, 39 cases to which he referred——

Mr. HAYS. Twenty-six.

The CHAIRMAN. The cases to which he referred were just a few of the many grantees about whom some question has arisen as a result of studies that were made. These were the Communists who had received grants. That did not indicate at all, that over the course of history, there might not have been others among the 40,000 that were questionable. The committee did not try to make that finding and avoided the error of which my colleague speaks. Neither did it take into consideration questionable grants that had been made to organizations where the overall effect might have been subject to question. I understand that was included by Mr. McNiece, the staff member that presented it yesterday, simply to make a side reference to the fact that the committee found grants had been made to 40 Communists, and even one of them might have caused—I am not saying that it did—but the effect of the grant in one case might have been very far-reaching.

I was impressed by one thing that you said earlier, if you will just permit this observation, that one of the purposes we hope will flow from the work of this committee when the criticisms are finally evaluated, is to call these things to the attention of the foundations themselves in the hope that the foundations will correct any errors that might have been made.

Dr. ROWE. Yes. Could I comment on that briefly, and make a few other comments that are connected with this? I am fully in agreement with the notion that—picking a figure out of the air—2 or 3 grants that are made to wrong people can have a tremendous effect in undoing much of the good that is made by the rest of the 40,000. Again it is not a matter of every grant being equal in significance. You can't evaluate them in terms of how many dollars were involved. A small grant made to a person in a critical position where he is going to make a wrong move, and implement the matter, can negate hundreds and thousands of grants made to people who are out on the fringes, the outskirts of positions of power and influence where the impact of everything they do that may be good will not be directly felt in policy areas.

Another interesting feature of that is that grants to organizations, it seems to me, have to be very carefully taken into account when you are talking about the total number of grants. I don't quite understand here whether the grants to organizations were included in this total figure.

The CHAIRMAN. They were not. These are grants to individuals.

Dr. ROWE. Of the grants to organizations I can only give you the best example that I know of. Those that involved, for instance, the Institute of Pacific Relations. I don't know what the sum total of the money was. It came from Rockefeller and Carnegie and from private contributions.

Mr. WORMSER. I believe it was something over $3 million.

Dr. ROWE. $3 million. The grants to the Institute of Pacific Relations, it seems to me, helped to implement a lot of people who did not, in my opinion, have the best interests of the United States at heart.

Here I want to talk about another item. It seems to me we make a mistake in talking about identifying Communists as grantees on the one hand, non-Communists as grantees on the other hand. In much of the activity that has to do with identification of Communist activity in the United States, it has seemed to me that we are going off on the wrong track when we limit ourselves to efforts to identify overt Communists, or let us say organizational Communists, people who carry a card or who can be positively identified as members of an organization subject to organized discipline. For every one of those that you fail to identify, and it seems to me we even fail to identify most of those, there are a thousand people who could not possibly be identified as such, because they have never had any kind of organizational affiliation, but among those people are many people who advance the interests of world communism, in spite of the fact that they are not subject to discipline and do not belong to any organization.

So here again I think your categories, statistically, have to be refined somewhat. Here, of course, you get into this area of opinion. What constitutes an individual who is attempting to advance the interests of world communism?

This is a very controversial subject, but if we are ever to deal with the problem of Communist influence in this country, or ever to deal with the problem of preserving our security against the world Communist conspiracy, this is the critical area. The people who can be trailed and tagged by the FBI are a very, very small minority. They occupy a very powerful position and a potentially important one, but the people who do the important work are unidentifiable, and if I were planning to infiltrate the United States, I would see to it that they were unidentifiable.

Here it seems to me you have to set up an entirely different category than the two categories of Communists on the one side, and other people on the other side.

Mr. HAYS. Right there, I will give you a specific example of something that occurred yesterday. On my desk came a newsletter. It made the flat statement that if the President were to ask Congress for permission to use troops if he found it necessary in Indochina, he would not get 25 votes. Would you say those people were advancing the cause of world communism?

Dr. ROWE. The people that refuse to send troops to Indochina?

Mr. HAYS. Either they or the people who put out the letter.

Dr. ROWE. In my opinion I would say that the combating of world communism today demands western intervention in much stronger force, and if this means giving United States troops, so be it.

The CHAIRMAN. If I may be permitted to make one observation, I didn't see the newsletter, because it didn't come to my desk, though I think I know the one to which Mr. Hays might be referring. I think it represents the expression of somebody that does not know anything about what the situation is up here on the Hill.

Mr. HAYS. Would you want to make a prediction, Mr. Chairman, that the President could get the permission of Congress to send troops

if he asked for it? We might make a prediction here, and the future events might prove one of us to be right or wrong.

The CHAIRMAN. I am not going to make a prediction.

Mr. HAYS. I didn't think you would.

The CHAIRMAN. I think, as the situation develops, the people and the Members of the Congress on both sides of the aisle are going to have great confidence in any recommendation the President makes when all the facts are assembled, and the conditions are known, for the security of the United States. We can't predict what might happen until the President gets in a position of making a statement.

Mr. HAYS. That is a very noble statement, but when you analyze it, it says nothing.

The CHAIRMAN. There can't be anything said until the President decides.

Mr. HAYS. The doctor said something very definite. As far as he has a right to say it, and he may be right——

The CHAIRMAN. I think there cannot be anything very definite to say on that until the President is ready to make a recommendation and give his reason for such a recommendation. When that is done, my own feeling is that his recommendation will carry great weight on both sides of the aisle.

Mr. HAYS. I understood that he had done a little checking here and he found he was not in a very good position up here. I heard that in the cloakroom.

Going back to this IPR, professor, would you tell us when you were in that organization and when you left it?

Dr. ROWE. I left it in early 1950. I believe I joined it about 1939 or 1940. Let me see. I think the precise year I joined it is to be found in my testimony before the McCarran committee.

Mr. HAYS. Approximately.

Dr. ROWE. It is around 1939.

Mr. HAYS. You left in 1950?

Dr. ROWE. Yes, that is right.

Mr. HAYS. Do you have any information as to whether or not any foundation contributed anything to that organization after 1950?

Dr. ROWE. I understood that the Rockefeller Foundation was still contributing money to the IPR after 1950. I believe that all foundations have cut their help off from the IPR as of last fall, which is 1953.

Mr. HAYS. I have some figures here, and they were furnished to me. I can't vouch for their authenticity. Perhaps you can help. I have here that from 1926 to 1943, this organization was given a total of $1,429,878; 1944–45, $36,000; 1946, $258,000, and the years 1947 to and including 1950, $160,481; and that final grant was made in an effort to salvage the IPR under the leadership of Dr. Lyman Wilbur, former president of Stanford University; and applications for further grants in 1950 and subsequently have been refused.

Dr. ROWE. Is this speaking for all foundations?

Mr. HAYS. This is the Rockefeller Foundation.

Dr. ROWE. Of course, you have to take Carnegie into account, as they contributed to it. I can't confirm those figures one way or another.

The CHAIRMAN. At any rate, the great damage that the IPR had done, if it did do damage, was accomplished prior to 1950, would you not say?

Dr. ROWE. I would say that certainly a great deal of damage was accomplished prior to the beginning of the Korean war in the summer of 1950.

The CHAIRMAN. Insofar as the studies and the activities of those associated with the IPR were responsible or had influence in connection with the policies that resulted in strengthening the position of the Communists in China immediately following the World War, they accomplished possibly the greatest damage that was experienced in any period.

Dr. ROWE. I would say the most important efforts along this line were during the Pacific war, and during the period after the Pacific war from 1946—let me see—1945, when it ended, through 1948, because by that time the policy had become stabilized, it seems to me, as a policy of no more help to prevent a Communist-Chinese takeover in China. It seemed to me that the general weight of the Institute of Pacific Relations was thrown on that side of the scale, both during and immediately after the Pacific war.

Mr. HAYS. Doctor, didn't you hold some sort of rather executive position in that?

Dr. ROWE. I never held an executive position in the IPR.

Mr. HAYS. You were on the board of trustees?

Dr. ROWE. I was on the board of trustees from 1947 to 1950, when I resigned.

Mr. HAYS. Is there any significance—I am not going to debate with you the fact that I think the IPR, too, did damage—but is there any significance to the fact that when you retired, or approximately the time you left it, that the Rockefeller money was cut off?

Dr. ROWE. I don't know what the significance is. Maybe they had come to the same conclusion I had by that time. It is possible, but I can't prove it one way or another.

Mr. HAYS. Did you communicate your beliefs about it any time prior to the time you left it to any of these people who were financing it?

Dr. ROWE. I can't give you the precise date, but I did have one conversation with a foundation executive—this was Mr. Roger Evans, who was then and still is in the Social Science Division of the Rockefeller Foundation which were giving money to the IPR—in which I told him of my fears and suspicions regarding the IPR, and regarding the uses to which the money was being put. I can't date that conversation. I don't know whether it was before I got out or after I got out. But I did very definitely indicate to him my view of the nature of the organization, and the extent to which I thought important posts in the organization's executive personnel had been taken over by people who were highly sympathetic to the Communist point of view. Whether this influenced him in any direct way or the foundation in any direct way, I could not possibly prove one way or another. But I did make my views known.

I was not the only one. Professor George Taylor of the University of Washington, and Dr. Karl Wittfogel, who was both at Washington and Columbia then, spoke out in this way. This was during the period which I believe you characterized as a period of trying to salvage or save the IPR under the leadership of new people. But you see, in this connection, the board of trustees of the IPR had very little control over the day-to-day operation. I don't know whether this

is characteristic of all boards or all organizations, but I felt, and I testified previously to this effect, that the IPR was essentially controlled by a very small group of people who were sometimes an official executive committee, or otherwise an informal one, who ran things pretty much as they would and who commented to the foundation's own personnel and problems of the kind I was talking to Evans about in exactly the opposite way.

Now, at this point I want to emphasize that nobody ever brought out on this matter the facts and conclusions that were brought out by the McCarran committee, and I don't think they ever would have been brought out without the McCarran committee's investigation. If I ever saw a case where a committee of Congress was justified and necessary and desirable, and where its results were good, I think this is one case.

Mr. HAYS. Now, Professor, I will agree with that generally speaking that the thing needed investigation, but all of us, I think, will admit that hindsight is better than foresight. I am interested in this. When you resigned from the IPR in 1950, if I had been there and apparently knew as much about it as you indicate you know now, I would have resigned with a good deal of publicity and a blast at them, and said, "Look, I think this thing stinks, and I am getting out." How did you do it?

Dr. ROWE. I got out with a letter which was probably altogether too polite. I am ready to admit this.

Mr. HAYS. Understand, I am not trying to pillory you.

Dr. ROWE. Your question, you see, is a very significant and very important one.

Mr. HAYS. Yes.

Dr. ROWE. It has to do with the business of how you can produce a maximum effect along lines of issues, and still produce at the same time a viable degree of personal security. This is definitely involved. I am not talking about physical security. I am talking about the position in the profession of anybody who would come out at that time, unsupported by anybody else practically, and openly accuse these people of the things which they have been accused of since, by me as well as others, and under the protection of a congressional committee. I would not have dared to do it otherwise.

In commenting that way, I think I am giving an accurate indication of the extent of the power and influence of the organization without which it could not have done as much damage as it did.

Mr. HAYS. I won't criticize you for that, Professor, but you have inadvertently made a very telling point that I was trying to make yesterday when I was questioning someone, if there is such a fear among the teachers and the professors, the executives of our school system, about speaking out. You have just now testified definitely there was, because your future security was at stake, isn't that right?

Dr. ROWE. Yes, that is right. I am pointing out another thing which I think needs to be emphasized, namely, that congressional investigations do not always infringe upon personal security. In many cases they add to it and protect it. That is why I commented that the McCarran committee investigation gave an opportunity for all of this to be brought out by people who could do it under conditions which they could not have enjoyed without the privilege of that forum to talk before. Don't get me wrong. I am not implying that the re-

sults of this kind of testimony are always happy for people who testify. You still can be made to feel all kinds of difficulties, and reprisals can always be taken against you because of your opinions, but I think the time has come for a little balance to be restored, as to who it is who infringes on other people's freedom of opinion.

I read in the papers that the congressional committees are the only ones that are doing it, whereas, we all know it is an age-old practice, and will be going on long after these particular committees are out of existence. I want to redress the balance a little and put in a plea for the idea that a congressional committee properly conducted is a preserver of individual security, and not an infringer thereupon.

Mr. WORMSER. Professor, you were not worried about what Yale University would do to you. You were worrying about libel suits.

Dr. ROWE. Yes, that was definitely the case. I suppose I went too far along that line when I talked to Mr. Evans in private, because some of the things I told Mr. Evans, if uttered publicly, could easily have brought on suits for libel, because I mentioned names.

The CHAIRMAN. It would have been impossible for the IPR story to have been unfolded in all of its completeness insofar as it has been unfolded except by a congressional committee.

Dr. ROWE. Or some investigation of similar nature.

The CHAIRMAN. That is right.

Dr. ROWE. That is right.

The CHAIRMAN. And insofar as there may be similar, although less far-reaching, evils existing, which are surrounded by foundation grants, it seems to me that it is very difficult for those things to be developed and uncovered except by congressional committees. That was what was in the mind of the chairman in proposing a further study. I was about to ask you a question which you answered, that is, whether the members of the board of the IPR, many of whom or some of whom were good men—and I think many of whom were——

Dr. ROWE. I would say most were.

The CHAIRMAN. Most were good and well meaning men, but they were not in a position to devote the time necessary to understand the details of all the ramifications of the activities of the IPR. Then we all have one human weakness, which is a tendency to have confidence in those who are thrown in close contact with us until our suspicions are violently aroused in some way. As I saw the danger there and in other organizations, it is the designing individuals, those who are undesirable, insinuate, not necessarily themselves, but their fellow travelers—using that in a very broad sense—into positions of influence for the very purpose of adopting policies and promulgating policies under the authority of the board.

Although, as the figures read off here indicate, a very small, relatively very, very small part of foundation grants went to the IPR, it is a striking example of an instance where the relative grants were so small and only constitute a flyspeck, have had a great influence in bringing us to this present perilous position which has developed in the Far East and is threatening the security and the freedom of the whole world.

Dr. ROWE. That is right. I would like to add this regarding the IPR and regarding the problem of Far Eastern policy. You remember some of my earlier remarks about the state of Far Eastern studies in the United States 20 or 30 years ago, how I said there was practically none of it; how some of the foundations started to finance the

building up and training of personnel. It seems to me this kind of thing has to be taken into account in evaluating foundation grants, namely, that the area of ignorance in the United States about Far Eastern matters was so great that here was the strategic place in which to strike at the security of the United States by people interested in imperilling our security and fostering the aims of world communism. They would naturally not pick the area in which we have the greatest intellectual capacities and in which we have the greatest capacities for defense. They would pick the area of greatest public ignorance, with the greatest difficulty of defending against the tactics of their attack, and so these people naturally poured into Far Eastern studies and exploited this area as the area in which they could promote the interests of world communism most successfully in the general ignorance and blindness of the American people.

So that it is not only quantitative evaluation that counts; it is not only the numbers of grants or the amounts of grants; it is the areas in which the grants are given that are significant. Here, you see, it seems to me, it takes a great deal of subject matter know-how—quite apart from dollars and cents—people and their affiliations or lack thereof, to evaluate the impact on this country of any given foundation grant, I don't care whether it is $50 or $5 million. It is a qualitative matter, not a quantitative matter. Here is where judgment comes in and where the greatest possibility of disagreements and controversies lies. But where it seems to me if you are going to do an evaluating job on foundation activities you are going to have to make up your mind with the best help you can find just what the meaning of the grants was.

The CHAIRMAN. I am not sure about the year, but up until the late forties, the IPR had an excellent standing, did it not? I am not sure what year it was, but perhaps up to the mid-forties.

Dr. ROWE. The IPR had excellent standing in educational circles, in governmental circles, and intellectual circles up until the late forties. That is an accurate statement.

The CHAIRMAN. We can well understand how those in the administration placed great confidence in the recommendations of the representatives and the findings of the IPR.

Dr. ROWE. That is correct.

The CHAIRMAN. And the advice of the individuals associated with the IPR.

Dr. ROWE. That is right, because they were known all over the country. Remember, they were one part of an international organization. They were known all over the country as the outstanding center in the United States for Far Eastern research and study.

The CHAIRMAN. Now we know that some of the keymen on the working and operating levels, who developed the policies that were finally promulgated, were following the line of the Communists.

Dr. ROWE. That is correct.

Mr. HAYS. I am interested right there in this kind of what seems to me a lame excuse that you spread over this board of trustees. I happen to be a member of the board of directors of a financial institution, and I feel sure if we were lax enough to let the financial institution go bankrupt that somebody would hold us responsible. Nobody would come in and say the board of directors are nice guys, but

they are too busy to know what happens to this $2 million. Who were these——

Dr. ROWE. Would you like me to comment on that statement?

Mr. HAYS. I would like you to comment on it, and name the board of trustees who were too busy to know what is going on.

The CHAIRMAN. Off the record.

(Discussion off the record.)

Dr. ROWE. Would you allow me to comment on this problem and try to make a differentiation between the kind of thing you have sketched and the situation here, and the kind of problem we were up against in the IPR?

Mr. HAYS. I want you to do that, and that is exactly what I am trying to bring out. I want you to bring out your opinions about all of these things, and I am not trying to hamper you in any questions I ask you. It is merely to clear up something I think I might not be clear on.

Dr. ROWE. I understand that perfectly well. I would have the greatest respect for the ability of either of you gentlemen or others that I know to read a bank balance sheet and to tell the difference between red ink and black ink. As you say, that is your business. You are on the board of directors; you have to know. But I would like to know whether you would have equal confidence in your ability at all times as a member of a board of directors to be able to point the finger at the fellow that is putting his fingers on the till. You can't do that, so you bond these people. You bond them against losses, and you protect yourself, and the bank, and you have a system for doing that.

You don't have a system like that in the intellectual world. You try to work one up and I will be the first to adopt it. I will say this. You are never going to be able to spot such people, who operate down in the levels an organization, from away up high where the directors sit, because they don't know what the people are doing, they can't possibly supervise them directly. This is left to the executive people. If the executive people know what they are doing—I testified before the McCarran committee that I was present once at a board of directors' meeting of the IPR at which they were discussing the appointment of a new executive secretary, and I had to sit there in the board and hear the executive committee members refuse to divulge the names of the candidates they were thinking about in the presence of the board of directors, and they got away with it.

Mr. HAYS. What did you do about that?

Dr. ROWE. What could I do. I was practically a minority of one. The board upheld their decision not to do this. It was not too long after that as I remember it that I resigned from the board. They had a monopoly and they were bringing people like me in for purposes of setting up a front, and I hope, giving a different kind of coloring to the membership of the board.

Mr. WORMSER. How often did that board meet, Professor?

Dr. ROWE. I don't think I ever was called in there more than once a year, and you would spend a couple of hours, and that is all.

Mr. KOCH. Did the men come from all over the United States on that board?

Dr. ROWE. The last meeting I attended the members from California were not present. There was a member there from Oregon.

Mr. KOCH. But was the membership of the board spread over the United States?

Dr. ROWE. Yes, it was, and those people could not always attend.

The CHAIRMAN. You touched on a rather important thing, and I don't know to what extent this committee can develop the information. I, for one, have been curious, and in saying this I am not criticizing the foundation that happens to be involved, because I think it might have happened to any foundation or foundations, and I am not criticizing anybody at the top; but I would be interested in knowing how the appointment of Alger Hiss originated. Not how it was finally made, but, in the first instance, who became interested in it. I would just like to see it followed on through until the board did approve it. I don't know whether there is any way of getting at it or not.

Dr. ROWE. Are you referring to his appointment, I believe, as a member of the board?

The CHAIRMAN. No; as president of Carnegie Endowment.

Dr. ROWE. I don't know anything about that, sir.

The CHAIRMAN. No; I am not asking you. I just think it would be an important case study.

Dr. ROWE. Yes.

Mr. HAYS. Mr. Chairman, if I may interrupt, I would suggest that perhaps the best person to subpena in to testify about that would be Mr. John Foster Dulles, the Secretary of State. He perhaps could tell us if you want to pursue the inquiry. I would go along with you.

The CHAIRMAN. I have no idea that Mr. Dulles is in a position to have that information. As Dr. Rowe indicated in the case to which he referred, the basic work was done well in advance and the preparation was made, and it finally came to a head when it got to the board.

Mr. HAYS. I understood he proposed him.

Doctor, I want to pursue this a little further and again let me say I am not trying to point the finger at you in the way you resigned. You did resign and you said in your testimony "At the time of my resignation, I pled too many organizations and too many things to do and got out on that basis." I am concerned, in view of the criticism of foundations for the lack of ability on the part of the board of trustees of any foundation to not make a grant that is not right, because we are saying here that the trustees of the IPR were too busy to know what is going on. I don't think that is right. I don't think a man ought to take a job on the board of trustees like that unless he is going to sacrifice the time necessary to have at least a fundamental idea of what the organization is doing.

Dr. ROWE. I would have been perfectly willing to sacrifice the time necessary to get full information and participate in policy decisions. One of the things that motivated me was the fact that you could spend the time—I could—but you could not get the facts and information or get in the inside circles. I submit to you that taking 3 years to find that out in an organization of the complexity of the IPR was not an unconscionably long period of time.

Mr. HAYS. I am not criticizing.

Dr. ROWE. That is the period of time I was a member of the board. I reached my conclusion with deliberation. I did not want to get right out at the end of the very first or second year. I want to make another thing clear. I got out of the IPR before any of the public attention was focused on the thing. This was prior to the first Latti-

more investigation, for instance, when the attention began to be focused on the IPR. That is all I can say about it. I don't believe I am a member of any boards of that kind at the present time. I have enough to keep myself busy.

Mr. HAYS. I was not trying to imply that I had any idea of criticism of you as a trustee.

Dr. ROWE. It is perfectly all right and a justifiable observation.

Mr. HAYS. I do say as two people who look at a problem we might have different ways of doing things. I am not going to put myself in the position of saying that from your viewpoint, knowing your life, you had done the wrong thing. I would have done it differently, perhaps with disastrous results; I don't know. Suffice it to say, you say you did get out in 1950. If I were to criticize at all, my only criticism would be that it seems to me you got out in such a way that you didn't call enough attention to the thing, and perhaps ought to call it as we look on the complexity of it now.

Dr. ROWE. You probably will be willing to admit that there was an effort made subsequently to make up for omissions of this kind on my part.

Mr. HAYS. Yes.

Mr. WORMSER. I would like to develop a variety of this same subject, Mr. Hays. I think I can express the Professor's opinion from my discussion last night, but I would like him to develop it, that the IPR incident illustrates what may be a weakness in foundation operation in view of the fact that trustees cannot themselves adequately handle the fiduciary duty of these responsibilities for these trust funds. They have the tendency to use other organizations to which they virtually turn over that responsibility.

In the case of the IPR, they invested heavily in that organization as a research group, and so forth. I think the Professor's opinion is, and I would like him to state it himself, that it would be far better if foundations wanting that kind of research turned to the universities and colleges and made them the grants instead. I think he has an idea that there would be far greater protection both in the mechanism of universities and selection of executive personnel.

Would you develop that, Professor?

Dr. ROWE. Yes, sir. There has, of course, been a mixed method on the part of IPR. You get a very interesting carrying down the line of the funds and the projects. Foundations will give funds to organizations like IPR. Some of this money for research purposes will be directly handled by the IPR. Young people, scholars, will be brought into the organization to do specific jobs for the organization. However, they will also go to universities and ask universities as they did once in our case to provide, so to speak, hospitality for one of the men that they want to have perform a research function under guidance and direction, subsidized by IPR, which money from Rockefeller Foundation in this case. Then they will do other things. For instance, the IPR organization will give money to the university personnel themselves directly for either research or publication purposes. So there are all kinds of ways and manners of doing this. I would submit that in much of this procedure the choice of personnel, the passing on their qualifications, the framing of projects, and the guidance of the researchers in the process of carrying out projects, is not adequately provided for by these organizations, such as the Institute of Pacific Relations was and still is today.

In the case of universities, where appointments are made, the universities' faculties are people of long standing, they may be good, bad, or indifferent, but the organization and the procedures of appointment and approval thereof are sufficiently complex and involve sufficient safeguards to cut the errors down considerably below the errors that are possible and probable without these forms of supervision and sanction.

It seems to me that the foundations in giving funds to organizations such as the Institute of Pacific Relations are in general on rather weaker ground than if they give funds to established organizations for research purposes in which the criteria for the appointment of people, for their promotions, for their advancements and things of that kind have been worked out over a long period of time.

The informality of the arrangements in the IPR was one of the things that I have always wondered at. To make it possible for so few people to have so much power and influence in determining who got funds for what purpose and determining what kind of projects they worked on and how these projects were supervised seemed to me to be very lax. Of course, toward the end the money that IPR got was heavily given to publications. They would subsidize the publication of works that were produced by research workers in universities and other such organizations, as well as their own people. This seemed to me to be getting away a little bit from the evils of the previous system in which they were directly involved in the research function. But it still put a tremendous lot of power in the hands of a very few people, since they went all over the United States, looking over the products of research in the far eastern field, and deciding which of these they would subsidize and which they would not.

This is not to say for a moment that the foundations have not given funds directly to universities. Of course they have. I suppose they have given far more funds for research purposes directly to universities than to organizations such as the IPR. But it seems to me, and you can, of course, consider the source here—I am a member of a university community—it seems to me logical to say that in those communities you get better safeguards as to quality and personnel than you can get in any such organization as the Institute of Pacific Relations, set up to a heavy extent for research purposes outside of academic communities.

Mr. HAYS. Could I interrogate you for just a minute on that subject? Do you have any people working under your direction who are working on foundation grants, fellowships, or anything of the kind?

Dr. ROWE. We would have to define a little more clearly before I answer it. I will define it as I go along in answering. If I don't cover what you are after, you can check me. I have no research personnel working under my direction on foundation grants.

Mr. HAYS. Are there any at Yale working under somebody's direction? There have been in the past, have there not?

Mr. ROWE. We had, for instance, from the Rockefeller Foundation at one time a young Chinese who had finished his doctor's degree at the University of Pittsburgh, James T. C. Liu, who was given a Rockefeller grant through the university. That is, the money was put in the hands of the treasurer of Yale to be paid to him to work under the supervision of a committee of the faculty of which I was chairman, and two other faculty members were members, to work this thesis

up into an enlarged study for publication purposes. Is that the kind of thing you are thinking of? I have none of this at the present time.

Mr. HAYS. You had a fellowship yourself from Rockefeller?

Dr. ROWE. Yes.

Mr. HAYS. Where did you use that? Was it at some university?

Dr. ROWE. I had a fellowship for 2 years from the General Education Board, as a General Education Board fellow in humanities at Harvard, for the study of Japanese and Chinese language and literature for 2 years.

Mr. HAYS. Do they give such fellowships in the field of sociology and political science?

Dr. ROWE. I suppose they do. But I don't know that they do that.

Mr. HAYS. What I am getting at is this: Suppose they do give one similar to yours and give a number of them, and, as you say, there certainly would be more chance of supervising them at a university, and I am in agreement completely with you; here is the question I want to get at: They give these grants and 1 or 2 people that they give them to, sometimes subsequently 10 or 15 years later turn out what is commonly known as left wingers or fellow travelers; would you say that the foundation ought to be held accountable for those people? How could they tell in advance?

Dr. ROWE. It is a risk you take, of course. I should think that here you get back to your bank. Any bank is going to make some bad loans.

Mr. HAYS. That is right.

Dr. ROWE. The question of whether the man in charge of the operation of the bank is a good man to have there is something that can only be developed on this basis over a period of time, I suppose.

Mr. HAYS. In other words, if they hold their bad loans.

Dr. ROWE. Down to a percentage.

Mr. HAYS. Or in the case of a foundation their bad grants to a minimum; we can't expect them to be perfect, can we?

Dr. ROWE. That is perfectly clear.

Mr. HAYS. We can point out their mistakes, but we should not say we should never have made them. That is too much to expect.

Dr. ROWE. I would judge so. Of course, you are going to find some people in the United States that will tell you it was a mistake they gave me one.

Mr. HAYS. I think we brought that out before. I am not going to take that position.

Dr. ROWE. I was not pushing you on this.

(Discussion off the record.)

Mr. HAYS. I am wondering about Chiang Kai-shek.

Dr. ROWE. I don't believe if you scrutinize all my writings and listened to all my lectures at Yale for the last 5 years you have ever heard me say that.

Mr. HAYS. All right, that is good.

Dr. ROWE. If you will allow me to go on from this a little bit, I will develop this.

Mr. HAYS. Sure.

Dr. ROWE. I have never been an advocate of allowing Chiang Kai-shek to fight communism by himself. I am interested in our helping him fight communism, and I think with United States help that is another matter. The question of who is helping who is always subject to evaluation.

Mr. HAYS. Could you give us any idea of about how much help it would take to have Chiang do anything at this point?

Dr. ROWE. I don't think there is any possibility as of the present time of the forces on Formosa making a successful invasion of the mainland without massive allied help. I think this is impossible.

Mr. HAYS. The reason I brought it up—and it is a matter of water over the dam, I really don't care much about it—but in the last campaign my opponent made the charge that I, among others, had by just being in Congress apparently restrained Chiang from doing anything, and if he got down here he was going to turn him loose, and things were going to happen. I have always had the opinion that to do that he would have had to have "massive," and I would like to put that word in quotes for emphasis, help from us in order to win any kind of victory in China.

Dr. ROWE. You mean going back from Formosa?

Mr. HAYS. Yes, or staying there when he was there.

Dr. ROWE. Staying in China?

Mr. HAYS. Yes.

Dr. ROWE. There I disagree with you flatly. I am on record on that. You can find this in writing in my articles. I am on record as believing that the time to resist the expansion of communism in China and its takeover was in 1947 at the time when we had seemingly decided in our Government that we were going to cry "a plague on both your houses." At that point, as my testimony before the McCarran Committee indicated, it was perfectly possible in my opinion for the United States with a minor investment of men, money and material, compared to what we have put into Korea since then, to have prevented the Chinese Communist takeover on the mainland. This opinion of mine was confirmed by conversation with the ranking American general in China in 1948, when he told me that with 10,000 American personnel—and this again is all in the record of the McCarran committee testimony—he could see to it that all of the equipment that Chiang could ever use to prevent the Communists from coming down into China could be made effective in its use. The amount of money required would have been piddling compared to what we have spent in Korea in a war we would not have had to fight if we had intervened in 1947. This is again——

Mr. GOODWIN. Mr. Chairman, have I come into the wrong hearing?

Mr. HAYS. This has some connection. It got in by the back door of the IPR.

Doctor, let me say this, and there is no use debating this question, because in the first place, we are fighting a hypothetical war which didn't happen, and in the second place, I believe you might even agree with me that frequently generals make statements that subsequently prove that they were a little off base.

I remember very definitely the morning the Korean thing started; I was walking right across the street here with two other members of the House, and making the statement we are in a war, and they said, "No, we are not in a war. They are just going to send in the Navy and Air Force."

Dr. ROWE. That is what they said at first.

Mr. HAYS. I made a small wager with them that the ground troops would be in before 10 days passed because the Air Force is a fine

force, and I have had some experience with them, but they have once or twice or maybe three times bitten off more than they could chew. The Air Force alone up to now has not been able to win a war. It did not win the one in Korea, a little narrow peninsula. If this general said what he could have done with 10,000 troops is one thing, and doing it is something else.

Dr. ROWE. That is perfectly clear. I only cited the general's opinion.

Mr. HAYS. I understand that.

Dr. ROWE. I am of course no general either, amateur or professional. It is worthy to mention what he was talking about when he talked of 10,000 men. He was not talking about a coherent combat unit of 10,000 men, or anything like that. He was talking about what General Wedemeyer did in China during the Pacific war, when he put 1 and 2 men at a time into the Chinese Army down at the company level with the purpose of seeing to it, as I say, that the weapons of war that the United States distributed were efficiently used, and with a minimum of wastage and misuse. That is what General Barr was talking about in our conversation.

The CHAIRMAN. Do you have any other questions?

Mr. WORMSER. Yes; I do. I would like to get on another subject, which one of your previous remarks introduced. We were discussing the undesirability perhaps of using intermediate organizations like IPR. Would your comments apply also, and perhaps you might discuss this general area, to what we have referred to at times as clearing house organizations? We have talked about a certain interlocking or close relationship between the foundations and intermediate organizations, like the Social Science Research Council, and the American Learned Societies. I would like you to comment on that, Professor, as well as whether you think the resulting concentration of power through this interlock is a desirable thing or not.

Dr. ROWE. I suppose the proof of it is in what comes out of it. My feeling is that here is another very clear evidence of the difficulty for the foundations in making policy regarding the expenditure of their funds. The Social Science Research Council handles social science matters. They will give a large lump sum of money to these people. Then the Social Science Research Council has to set up the operations of screening of applications, screening of candidates, supervision of operations and evaluation of results and all that. This costs the foundations something, because part of the money they put in has to go for these administrative purposes. But the foundation doesn't want to do it itself. The Social Science Research Council being supposedly a specialized agency simply, it seems to me, relieves the foundation of this to the extent that the foundation gives large sums of money to the Social Science Research Council.

What the council does is the responsibility of the foundation, it seems to me, to a very great extent. There is no use trying to blink at that fact in any way, shape, or form. I suppose there is no ideal solution to the problem of the application of expertness to the supervision of the expenditure of money by big foundations. This is why some foundations go in for rather narrow kinds of specialization. They will do one kind of thing and not another. The General Education Board is an example of what I am talking about, because their work has been rather narrowly oriented, certainly during the last

decade or two. But the big foundations in general spread themselves over the landscape.

The Ford Foundation is the latest and greatest. The Ford Foundation is even going in for general public education, although I understand this emphasis is decreasing some in the last year or two. But when they first began they were very much interested in general adult education through all kinds of media, radio, conferences, great book seminars all over the country. We had 2 or 3 of them in our immediate area in Connecticut, all financed by the Ford Foundation.

The job of running an extension course for universities is a big job. When you start doing this all over the United States, I should think it would be almost impossible to supervise it adequately. If I am right about the tendency in recent years, it might be that this is a conclusion they have reached on the matter, if they are cutting down. I would not know what has guided their policy along this line.

There is inevitably going to be this problem, that as knowledge and as research become more specialized and more technical, and the problem of deciding what you want to do researchwise becomes more difficult, the foundations that have big money to spend are just up against a tremendous policy problem. How do they operate, and how can they possibly guarantee the maximum effectiveness and efficiency in their operations in the light of the objectives which they profess and which underly their whole activity?

Mr. WORMSER. Does it impress you as socially desirable that the large foundations should concentrate a certain large part of their operations in the social sciences in one group or association of groups, like the Social Science Research Council, the American Learned Societies, and others?

Dr. ROWE. I suppose the theory behind this is that these organizations, like the Social Science Research Council, are truly representative of social science all over the United States. I suppose that is the only possible theoretical justification for this kind of policy. I don't know.

Mr. WORMSER. The question we have, Professor, in that connection is whether that type of concentration, even though it might be efficient mechanically, is desirable insofar as it militates against the competitive factor, which is sort of intrinsic in our society.

Dr. ROWE. There is no question but what an organization like the Social Science Research Council has a tremendous amount of power. This power which it exerts, it exerts very heavily on educational institutions and their personnel, because when you get down to it, who is it that does research in social science? It is educational institutions, because they have the faculties in the various fields, like political science, economics, anthropology, sociology, geography and so on. That is where the people are. To understand the importance of this function, all you have to realize is that advancement and promotion and survival in the academic field depend upon research and the results and the publication thereof. Here you have, you see, outside organizations influencing the course of the careers of personnel in universities through their control of funds which can liberate these people from teaching duties, for example, and making it possible for them to publish more than their competitors.

This, therefore, means that there is a tremendous responsibility here to apportion their awards in a just way—in such a way as takes into

account the differences of approach and the differences of opinion in these fields; the theoretical differences from one school to another. The possibility exists that at all times in any of these organizations that the people in charge thereof become convinced that there is one way to do a job in the social science field, and that only this way will get their support.

If and when that time comes—I don't know whether it is here or ever will come—then you will have a combination in restraint of trade within the limits of public acceptability that may have very deleterious effects upon our intellectual community.

The CHAIRMAN. Mr. Wormser, it is now noon. It is evident or it appears evident that we will be unable to complete with Dr. Rowe before the noon recess. How long do you estimate it will take?

Mr. WORMSER. I have only one further subject that he could testify on. If we take 10 or 15 minutes he will be through. He would like to finish this morning, if he can.

Dr. ROWE. I would not like to limit the committee in any way. I would stay this afternoon if you wish.

Mr. HAYS. Doctor, we have been spending a good many hours this morning, and we have no desire to drag it into the afternoon if we can finish shortly. I would like to finish if we can.

The CHAIRMAN. Very well, then.

Mr. WORMSER. As an extension of just what you have been talking about, Professor, is it your opinion that there has been a result already from the power of these foundations to control or affect research, particularly in their associations together in some sort of what you might loosely call an interlock, and the use of these intermediate organizations? Has that resulted in some sort of political slanting in your opinion? I want to be a little more precise than that, and refer to the term which has been used quite frequently in social science literature of "social engineering." There seems to be a tendency to develop a caste of social scientists who apparently deem themselves qualified to tell people what is good for them, and to engineer changes in our social status. Would you comment on that?

Dr. ROWE. Here, of course, you are getting into a problem of what is the cause and what is the effect. I am not quite clear as to whether the activities of the foundations along this line are the result of the development of social science in the United States over the last 40 or 50 years, or whether the development of social science in the United States over the last 40 or 50 years along such lines has been primarily the result or even heavily the result of foundation initiative.

I would be inclined to the former of these two views, but I don't think you can completely disentangle these two things. I think that the development of the social sciences in this country in the last 40 or 50 years has been very heavily influenced, in my opinion, by ideas imported from abroad, which have been connected with, if not originated in, socialistic mentality, and to say this is to simply say that it is normal in social science to accept today a great deal of economic determinism, to accept a great deal of emphasis upon empirical research over and against basic thinking and the advancement of theory, and to accept a lot of ideas about the position of the social scientist in the society that seem to me rather alien to the American tradition.

It must be, I think, kept in mind that the theory of social engineering is closely related to the notion of the elite which we find dominant

in Marxism, the notion that a few people are those who hold the tradition and who have the expertness and that these people can engineer the people as a whole into a better way of living, whether they like it or want it or not. It is their duty to lead them forcibly so to speak in this direction.

That is all tied up with the conviction of the Marxists that they seem to have, rather that they do have, a perfect social science. This is one of the main tenets of Marxism, that they have a social science which is perfect; it not only explains all the past history, but it will lead to the complete victory of the socialist state on a worldwide basis.

I am not maintaining that my colleagues are all dyed in the wool along this line, but there is such a thing as infection. I think some of these ideas have infected us, and have gotten over into a much more influential place in our thinking than many of us understand or realize. The complete respectability of some of the basic ideas I have been talking about in the framework of American intellectual life can be seen when you ask yourself the question, "When I was in college, what was I taught about the economic interpretation of history, the frontier interpretation of American history, the economic basis of the American Constitution, and things of this kind?"

This is the entering wedge for the economic analysis of social problems which is related to economic determinism, which is the very heart and soul of the Marxist ideology. When we reflect on the extent to which these ideas have become accepted in the American intellectual community, I think we ought to be a bit alarmed, and be a bit hesitant about the direction in which we are going.

For my own purposes, I would much rather complicate the analysis of social phenomena by insisting that at all times there are at least three different kinds of components that have to be taken into account. There is not only the basic economic thing. We all recognize its importance. But there are what I call political factors. These have to do with the fundamental presuppositions people have about the values that they consider important and desirable. These can be just as well related to abstract and to absolute truth, which we are all trying to search for in our own way, as they can be to economic formation and predetermination, if I make myself clear. Along with this you have to take into account the power element in the military field. If you throw all these things in together, I think it rather tends to scramble the analysis and reduce it from its stark simplicity, as it is embodied in the doctrines of communism, into something which is much harder to handle and much more difficult and complicated, but is a good deal closer to the truth.

I make this rather long statement only because the subject is extremely complicated. I know I can't discuss it adequately here, and I don't pretend to try, but I am trying to introduce a few of the things which give me the feeling that in our academic community as a whole we have gone down the road in the direction of the dominance of an intellectual elite. We have gone down the road in the direction of economic determination of everything, throwing abstract values out of the window.

Mr. WORMSER. Moral relativity.

Dr. ROWE. Moral relativism is implicit. It is not important whether it is right or wrong in abstract terms. It is only when it works and who works and things of that kind. This is the evil of the sin of

social science in this country which can only be redressed by adequate emphasis on humanistic studies, and even there you have to be extremely careful about how you do it in order to get the maximum effect out of it.

Maybe I am getting too far here into educational theory and getting away from your question.

Mr. HAYS. Could I ask a question?

Mr. WORMSER. Please, yes.

Mr. HAYS. You talk about a social-science elite. If you wanted a doctor, you would want an expert.

Dr. ROWE. Sure.

Mr. HAYS. A lawyer, you would want a good one.

Dr. ROWE. Who is it that says who the expert is in the medical field? The first thing the doctor comes up against is a board of examiners set up by the State or by some public authority without which he cannot even get a license to practice, let alone get any patients.

Mr. HAYS. How do you get to be a political science professor?

Dr. ROWE. That is the point I am trying to make. There are no such supervisions or checks. Maybe it would be more dangerous to have them than not to have them. But we have at least to face up to the problems raised by the fact that the intellectual community, the academic community, for example, insists on an absolute minimum of public sanctions as far as their work is concerned. This leads us into these areas that I have been talking about.

Mr. WORMSER. That is all.

Mr. HAYS. I have one further question back on the IPR again. I asked for the names of the trustees and we got off on some other subject. I will ask you specifically, was Senator Ferguson one of them at one time?

Dr. ROWE. I could not say. I don't recognize his name as being a member of the board. But I could not swear to it.

Mr. HAYS. Could you supply me with the names of the members of the IPR board for 1950 or 1949 or some given year?

The CHAIRMAN. If it is just as agreeable, the staff can do that.

Mr. WORMSER. I am sure we have it.

Dr. ROWE. That would be easy to work up, I should think. That would be no problem.

Mr. HAYS. We can put it in the record at this point.

(The list referred to follows:)

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William L. Holland, secretary general, Institute of Pacific Relations.
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Charles E. Martin, professor of political science, University of Washington, Seattle.
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Gregg M. Sinclair, president, University of Hawaii, Honolulu.
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Donald G. Tewksbury, professor of comparative education, Teachers College, Columbia University, New York.

Sumner Welles, writer and commentator. Former Under Secretary of State.
Lynn T. White, Jr., president, Mills Collge, Oakland, Calif.
Brayton Wilbur, president, Wilbur-Ellis Co., San Francisco.
Ray Lyman Wilbur, chancellor, Stanford University, California.
Heaton L. Wrenn, attorney, Anderson, Wrenn & Jenks, Honolulu.
Louise L. Wright, director, Chicago Council on Foreign Relations.

The CHAIRMAN. The committee will stand adjourned until Tuesday morning at 10 o'clock in this same room.

(Thereupon, at 12:15 p. m., a recess was taken until Tuesday, June 8, 1954, at 10 a. m.)

TAX-EXEMPT FOUNDATIONS

TUESDAY, JUNE 8, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMMITTEE TO INVESTIGATE
TAX EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10:15 a. m., pursuant to recess, in room 304, Old House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece, Goodwin, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; John Marshall, chief clerk.

The CHAIRMAN. The committee will come to order.

Who is the witness this morning?

Mr. WORMSER. Professor Colegrove.

The CHAIRMAN. Professor, we have the practice of swearing all witnesses, if you do not mind. Do you solemnly swear the evidence you give in this case shall be the truth, the whole truth, and nothing but the truth, so help you God?

Dr. COLEGROVE. I do.

Mr. WORMSER. Will you state your name and address for the record, please, Professor?

TESTIMONY OF PROF. KENNETH COLEGROVE, EVANSTON, ILL.

Dr. COLEGROVE. My name is Kenneth Colegrove, and my address is 721 Foster Street, Evanston, Ill.

Mr. WORMSER. You are temporarily in New York on some assignment at Queens College, Professor?

Dr. COLEGROVE. Yes; I have been teaching in Queens College this year.

Mr. WORMSER. You are, as I understand, retired as a professor of political science at Northwestern University?

Dr. COLEGROVE. Yes; at Northwestern University we automatically retire at age of 65.

Mr. WORMSER. Would you give us briefly your academic career, Professor?

Dr. COLEGROVE. I took my A. B. degree at the State University of Iowa and later took my Ph. D. degree, doctor of philosophy, at Harvard. I have taught at Mount Holyoke College, Syracuse University, and for 30 years I taught at Northwestern University.

Mr. WORMSER. Do you have any honorary degrees?

Dr. COLEGROVE. Yes: I have the honorary degree of doctor of letters at Columbia University. President Nicholas Murray Butler conferred that degree on me after I had written a book on the Senate and the Treatymaking Power. He wrote me at that time saying he had already expected to write that book himself, but the trustees had never allowed him to resign so that he could write the book. His trustees offered me a degree, and, of course, you never turn down a degree from Columbia University.

Mr. WORMSER. What other books have you written, Professor?

Dr. COLEGROVE. I have written books on International Control of Aviation; Militarism in Japan; and the American Senate and the Treaty-Making Power. I think I am remembered most for my 20 or 30 articles in the American Political Science Review and in the American Journal of International Law upon Japanese Government and Politics and Asiatic Diplomacy.

Mr. WORMSER. Now, Professor, what positions of any consequence have you had in any of the learned societies?

Dr. COLEGROVE. I was secretary-treasurer of the American Political Science Association—that is the professional society of political science teachers in the United States—for 10 or 11 years, from 1937 to 1948. And I have been a delegate from the Amercan Political Science Association to the American Council of Learned Societies.

The American Political Science Association is a constituent society of the American Council of Learned Societies.

Mr. WORMSER. As I recall, you were at one time on the executive commmittee of the American Society of International Law?

Dr. COLEGROVE. Oh, yes; I have several times served on the executive committee of the American Society of International Law.

Mr. WORMSER. What Government posts have you held, Professor?

Dr. COLEGROVE. Well, I have been consultant during the war to the Office of Strategic Services. I have been a consultant for the Department of Labor. I have been a consultant for the State Department. And I served with General MacArthur in Tokyo immediately after the war in the Office of SCAP, or the Office of the Supreme Commander for the Allied Powers, in Japan.

Mr. WORMSER. As an adviser in political science or some aspect of that?

Dr. COLEGROVE. Yes; as an adviser on constitutional questions.

Mr. WORMSER. Have you any other comment you wish to make, Professor, before we start? I understand you have no statement.

I had intended to have a copy of the questions you had asked me to put to you prepared for the committee, but something went wrong in the office, and we have only 2 or 3 copies available.

Is there anything you wish to add before I begin?

Dr. COLEGROVE. Mr. Counsel, I must say that I am a somewhat reluctant witness this morning. My reluctance stems from the fact that there is a feeling, I think, on the part of many people, that witnesses regarding the foundations may be overcritical, may wish to smear the character of the officers of the foundations. I must say that my acquaintance with the officers makes me think that they are men of the greatest integrity, men of the greatest competence. I highly respect them. Some of my students are officers in the foundations.

Then, in another aspect, I think sometimes witness before congressional committees are rather roughly treated by the newspapers;

sometimes the very best newspapers misquote them. And that is a little unfortunate, I think.

Again, I must say that since being asked to testify before this committee, I have not had an opportunity to go back to my home in Evanston, which is right north of Chicago, to check up on some data I probably ought to have before I testify here, but I understand you wish me only to speak of the philosophical background or such aspects as I really have witnessed; and perhaps I can trust my memory for these.

I am glad to come before the committee, aside from that reluctance, because I think it is the duty of every citizen, and particularly professors, to assist Congress in its functions of investigation. It is our duty to do so, just as much as it is the duty of young men to serve in the Army, even give their lives for their country in the Army, or the duty of citizens to vote, or the duty of citizens to pay taxes. And citizens also have the duty to testify before congressional committees.

Mr. WORMSER. Well, Professor, you did testify at one time before the McCarran committee in the IPR hearings. Would you give us some brief résumé of the purpose of your appearance in that hearing and any comments that you think may be of interest?

Dr. COLEGROVE. Mr. Counsel, I did testify before the McCarran subcommittee of the Judiciary Committee of the Senate on internal security laws regarding my knowledge of the I. P. R. and other phases they were investigating. I think what struck your eye in that testimony was a part of my testimony where I said I could not understand why it was that the Rockefeller Foundation continued its very large grants to the Institute of Pacific Relations long after it had received information which proved to be very reliable information that the IPR had been taken over by Communists, pro-Communists, or fellow travelers, and had become a propaganda society, and also an organization which was very effective in selecting personnel for the Government. The information that something was wrong with the IPR began to come into our heads about 1942 or 1943. I was among those naive professors who thought that the IPR was doing a great service. And it was. It started out as really a magnificent research organization. But it undoubtedly was captured by subversive elements about 1938 and 1939 and 1940, but we didn't wake up until 1942 or 1943. At that time I resigned from the editorial board of Amerasia which had a connection with IPR.

By 1945, we were convinced that something was very wrong; and my testimony was connected with that point.

Mr. WORMSER. Was that before the Kohlberg disclosures?

Dr. COLEGROVE. No; that was the time the Kohlberg proposals were made. And what I couldn't understand later on was when Alfred Kohlberg was able to get the consent of one of the very high officers in the Rockefeller Foundation to investigate why the foundation would not make an investigation of the IPR. The investigation was never made, and the Rockefeller Foundation continued to give very large grants to the Institute of Pacific Relations even after that.

Representative HAYS. What year was that?

Dr. COLEGROVE. That was 1945. That was comparatively early, you see. The grants went on until, I think, about 1950 or thereabouts.

Of course, the Rockefeller Foundation now admits that it was a mistake, and perhaps the officers feel that bygones ought to be bygones and no further investigation should be carried on. But it seems to

me, in the interest of American people, and in the interest of scholarship in the United States, and in the interest of scholars like myself, that we may never be misled again, that we ought to have the whole story of why the Rockefeller Foundation failed to make the investigation in 1945.

Representative HAYS. Did you, as a member of that group, ask the Rockefeller Foundation to make an investigation?

Dr. COLEGROVE. No. I was not an officer of the Rockefeller Foundation. I was simply what you call a member.

Mr. WORMSER. You mean of the IPR, Professor?

Dr. COLEGROVE. I mean of the IPR. The membership was very loose. Anyone who subscribed to their publications was a member. They called us members. We thought of ourselves merely as subscribers.

I protested to Mr. Dennett in 1945—I think that is the date; it is in the McCarran subcommittee hearings—regarding the activities of Mr. Edward Carter. I had discovered that he was pressuring the State Department to throw over Chiang Kai-shek. I protested very vigorously at that time, and I think my protests came to nothing at all.

Representative HAYS. Now, did you say that the first notice that the foundation had of, as I believe you termed it, the subversiveness of the IPR, was about 1943?

Dr. COLEGROVE. No. The first that I knew of it were the charges made by Alfred Kohlberg. I resigned from Amerasia in 1943 because of a difference of opinion between myself and Mr. Philip Jaffe, who was the editor in chief, and who later was implicated in the taking of documents surreptitiously from the State Department.

Representative HAYS. What I am trying to do, Professor, is to find out for the purposes of checking the record of grants, about when you people became aware of this, about when it trickled down to you that there was something wrong there.

Could you give us a year for that?

Dr. COLEGROVE. Yes. I was aware of a very unfortunate situation in Amerasia by 1942 and 1943. My eyes were not opened until that time. I suspected, of course, the IPR. I was not an officer of the Institute of Pacific Relations.

Representative PFOST. When did you resign from Amerasia, Professor?

Dr. COLEGROVE. In 1943, and it was at that time——

Representative PFOST. And it was at that time that you became suspicious?

Dr. COLEGROVE. I became suspicious in 1942 and finally resigned in May of 1943. I am speaking from memory. I haven't looked at my notes.

Representative PFOST. Were you aware of the fact that the Rockefeller Foundation reduced their grants considerably in the year 1944 to the IPR?

Dr. COLEGROVE. Yes, there was a reduction of grants made.

Representative PFOST. Because of some talk that perhaps they were off on the wrong track?

Dr. COLEGROVE. Undoubtedly that had some influence. But I was not an officer of Rockefeller Foundation or of the IPR, and did not understand the reasons on the inside.

Representative HAYS. The figures we have, Professor, show that for the 2 years, 1944 and 1945, they only got $36,000. That would seem to indicate that someone in Rockefeller became aware of the thing you did about the same time. Then our figures show from 1946 to 1950, they were given a total of about $400,000, mainly because the Rockefeller Foundation wanted to try to reorganize the thing under the leadership of Dr. Wilbur, Dr. Ray Lyman Wilbur, after they had gotten rid of Carter and Field. I am not asking you, of course, to say the figures are accurate, but does that generally correspond with what you know about the situation?

Dr. COLEGROVE. Yes; that is the situation as I understand it.

Mr. WORMSER. Professor, no investigation, so far as you know, was made by Rockefeller or Carnegie of the IPR situation, nor for that matter was one made by the IPR itself?

Dr. COLEGROVE. I hoped, as a result of Mr. Kohlberg's charges, that the Rockefeller Foundation itself would investigate, instead of asking the IPR to conduct a self-investigation.

The CHAIRMAN. To whom was Kohlberg's request for an investigation made, Professor?

Dr. COLEGROVE. It was made to Joseph Willits, an official of the Rockefeller Foundation, one of the outstanding men, a man of great integrity, and a man of competence and scholarship. I have great respect for Joseph Willits, and he must have had a good reason for not investigating. But that reason, it seems to me, ought to be told to the American people.

Representative HAYS. Just exactly what did Mr. Kohlberg say in his report? I get a letter about every week or two from him, most of which I throw in the wastebasket.

I read a few of them. But they seemed to me to be a little bit off the beam, and perhaps these people felt the same way about him. Is he considered a reputable authority that you would pay attention to? Maybe I have been misjudging him.

Dr. COLEGROVE. Well, I have a great deal of respect for Mr. Kohlberg. He sends out these very voluminous letters. Some of them are full of charges he makes against people that I think it is not necessary to make. But he also has a vast amount of information. I find these letters he sends sometimes very useful. Again, Mr. Kohlberg had been in China frequently during the war and had been shocked at his observation of what some of the officers of the State Department were doing, particularly connected with the whole episode of Gen. Patrick Hurley.

Mr. WORMSER. Professor, these charges were thoroughly substantiated, weren't they?

Dr. COLEGROVE. Oh, yes. All of the charges of Mr. Kohlberg were examined by the McCarran subcommittee, and I think in a unanimous report the McCarran subcommittee indicated that all of the charges of Mr. Kohlberg were proved true.

Representative HAYS. I am not discussing that. The point I am trying to get straight in my own mind is that he has a habit of crying "Wolf" pretty frequently, and every time he cries it, obviously it hasn't been documented. He could have been right at that time, and perhaps was for all I know.

Dr. COLEGROVE. Well, I may say, I always found him accurate in his statements, and certainly this time when he cried, "Wolf, wolf," there was a wolf.

Representative HAYS. I see. This was the beginning?

Dr. COLEGROVE. And he has been crying "Wolf, wolf," justifiably ever since then, without effect—I suppose because it has been repetitious. The charges at the time corresponded with what I was thinking myself with reference to the IPR.

Representative HAYS. Just briefly what were these charges? That Field and Carter were not right? Just what did he say, if you can remember the highlights of it?

Dr. COLEGROVE. Briefly, the charges were these: They were expanded, of course, in the McCarran subcommittee. But, briefly, they were to the effect that the IPR, instead of being a research institution and engaged only in research, had branched out into propaganda, into the selection of personnel for service in Government and into policy-making even in the State Department. In other words, supporting a policy that was very much against Chiang Kai-shek, very much against the Chinese Nationalists, and aimed at overthrow of Chiang Kai-shek, of the Kuomintang, and destruction of the Nationalist Party in China.

The CHAIRMAN. Based upon your experience and observations, to what extent is it your opinion that the IPR did exercise a substantial if not controlling influence in the selection of personnel not only in the Far East but those assignments in the State Department that had to do with the Far East and ultimately the policies that were adopted in the Far East?

Dr. COLEGROVE. Mr. Chairman, I would rather testify only with regard to things I have seen with my own eyes. I will take one case with reference to the selection of personnel for General MacArthur's headquarters in Japan.

The IPR had become extremely influential with the State Department and with some other branches of Government. I must say that no one knows better than you and your committee that the selection of personnel is one of the headaches of Government. The selection of expert personnel is one of the headaches of Government. The American Political Science Association was often called upon to furnish suggestions of experts in the field of political science.

During the war, when I was secretary-treasurer, we frequently had requests, which we complied with, by giving a list of personnel and giving something about the personnel so that they could select someone among the dozen or two dozen names that we would submit.

In 1945, as secretary of the Political Science Association, I submitted a list of names of experts for the army of occupation in Japan, and for the army of occupation in Germany. It was a list of political scientists who would be helpful on the Government side. I didn't put my own name on the list at all, but in January of 1946, I had a telegram from General Hilldring saying that General MacArthur had asked for my services in Japan.

I came down to Washington to be processed and briefed, and I was surprised to find in the Pentagon that the recommendations that the American Political Science Association had made in the matter of personnel had not been accepted. I had a great deal of trouble in getting from the Chief of the Civil Affairs Division in the Army this list. He passed me off to his deputy, and his deputy passed me off finally to a very excellent young colonel. From him I received the list.

I was shocked when I saw the list, because there were none of the recommendations that we had made.

I took that list over to an old friend of mine who had served as Chief of the Far Eastern Division in OSS (Office of Strategic Services). His name is Charles Burton Fahs, a very outstanding specialist in Japan and a man of great integrity. And I remember that Charles Burton Fahs was astonished by the character of the names that had been recommended.

We checked those names off. Some of them were known to us to be Communists, many of them pro-Communists or fellow travelers. They were extremely leftist.

I went back to the Pentagon to protest against a number of these people, and to my amazement I found that they had all been invited, and they had all accepted, and some of them were already on their way to Japan.

I wanted to find out where the list came from, and I was told that the list had come from the Institute of Pacific Relations.

And so General MacArthur, who had very little control over the personnel that was sent to Japan at this time for civil affairs, practically no control, had to receive a large group of very leftist and some of them Communist advisers in the field of political science.

Well, does that illustrate what you want, Mr. Chairman, by reference to the influence in the selection of personnel?

I might just add this, on the slightly humorous side: During the war we had the National Roster, which you probably remember. I think they are trying to improve that and make it a great machine for selection of personnel. We used to say that the theory was that you get the names of a hundred thousand scientists all over the United States, social scientists, natural scientists, and so on. You put their names on cards. You put their competence on cards. You put their experience on cards. You put it in the machine. Then when some organ of Government wants an expert in this or that, all you have to do is to press two or three buttons, and out comes a card with the name of a perfect expert, just the one you want for the assigment. But nobody knows better than your committee that it will be a long time before such a machine is invented and used.

Representative HAYS. I have a pertinent question right here, professor. Did General MacArthur take any pertinent advice from any of his advisers about anything?

Dr. COLEGROVE. Well, these advisers who came out, particularly the leftists, were immediately spotted by MacArthur's G–2, General Willoughby. We used to say that General Willoughby could tell a Communist a hundred miles away.

Representative HAYS. He is the same fellow, though, who couldn't spot them at China when they poured through at the Yalu River. Wasn't that the one?

Dr. COLEGROVE. That was out of the jurisdiction of Willoughby.

Representative HAYS. I thought he was the G–2 head man.

Dr. COLEGROVE. He was G–2 for General MacArthur.

Representative HAYS. I understood that somebody gave MacArthur advice that there were no Communists up there.

Dr. COLEGROVE. Oh, no. I have seen the reports that Willoughby made. Willoughby was telling MacArthur in 1946 and 1947 and 1948 that the Communists were going to attack South Korea in June.

Representative HAYS. Well, who advised him about that famous, "We will be home by Christmas, boys," statement?

Dr. COLEGROVE. That is something that we would like to find out, too. How that statement was made.

You see, the jurisdiction of General MacArthur over Korea came to an end in 1948. The State Department took over. The Army was out completely. And it really was not General Willoughby's business to investigate North Korea. But you know General Willoughby. He would investigate everything under the sun. And his reports were always pessimistic reports to General MacArthur.

I might say this with reference to the personnel and with reference to the question you asked about advice.

Luckily, in this case, the subversives that came out to Tokyo were very soon discovered by General Willoughby. And, of course, General MacArthur's staff was decidedly anti-Communist, very much opposed to that kind of adviser and the kind of advice that they would give. General MacArthur takes advice, of course, but it is only on the highest level. There was a tight little ring of generals around General MacArthur. They consisted of General Willoughby, the G–2; General Courtney Whitney, a remarkably competent man, head of the Government Section; General Marquat, who was head of the economic Section; there was a very able professor from Stanford University who was head of National Resources; there was Colonel Carpenter, head of the Legal Section, and two or three others. And none of the Communists who got out to Japan had any other chance in operations than to do research work and reporting. General MacArthur would meet once or twice a day with the upper echelon of his office, and the policy was entirely made by them. I may say that many of the facts that they used in persuading General MacArthur to do this or that were facts dug out by the researchers in the Government Section or the Economic Section, but the policy-making in Japan was quite different, I think, from the policy-making in the army of occupation in Germany. It was on the highest level. None of these subversives got a chance at all in policymaking.

I do think that there was just one point where they did damage, that was in their contact with the Japanese people, a contact which MacArthur couldn't control.

I think there were some unfortunate contacts between these leftists and the Japanese people.

Representative HAYS. I was going to ask you a question about something you said. You seemed to leave an implication by the way you stated it. Perhaps you didn't mean to, and I want to clear that up.

You said it was quite different from Germany. None of the subversives had a chance to make policy.

Did you mean to imply that some of the subversives did make policy in Germany?

Dr. COLEGROVE. No. What I meant to say was that the policy-making went down into a lower level in the army of occupation in Germany.

I was trying to indicate where policy was made in General MacArthur's staff. It was only on the very highest level, with a group of officers he trusted, who were competent, hard-headed, very realistic officers.

The CHAIRMAN. Since General MacArthur has been referred to, it happens that I have known him for a great many years and knew him

as a captain when I was in the 42d Division. I believe he was a captain. And I have known him over the years since, not intimately, but I have had a very good opportunity to observe him.

Dr. COLEGROVE. I know he thinks highly of you.

The CHAIRMAN. Thank you. I am pleased to know that. I have been impressed that General MacArthur has a great capacity to advise with subordinates, advisers of all types, and then assemble in his own thinking the information given him, classified and adopted as his own. I mean expressed his own views; but his views being based upon the advice and information that he has received. Is my estimate of him somewhat justified?

Dr. COLEGROVE. Oh, wholly justified. I think you have sized General MacArthur up very accurately. He is a constant reader. He reads documents late into the night. He is a constant reader of history and of government works. General MacArthur would have made one of our outstanding historians if he had ever gone into the profession of history rather than that of a professional soldier.

Representative HAYS. I think Hollywood lost a great man there, too.

Dr. COLEGROVE. I went to Japan a little prejudiced against General MacArthur, having been in Washington continuously. I was bowled over by appreciation of his efficiency and his ability to lead. I must say he handled the Russian situation well, when the Russians wanted to send an army of occupation into Japan. They wanted to occupy Hokkaido and northern Hondo, which would be easy for them to chop off by aggression. General MacArthur avoided that by assigning them way down to Kyushu in the south, and of course the Russians didn't want to go there, where they would be hemmed in by the Americans and the British. So they didn't occupy any part of Japan. That was a great advantage, because there was only one army of occupation really, that of General MacArthur. I think you could say General MacArthur was the first high-ranking officer who got tough with Soviet Russia after the war. And you might say it begins with the speech which Courtney Whitney made before the Allied Council in March, the first part of March 1946, when Russia behaved in a very impertinent, insolent way to the United States, demanding information, and criticizing policies of the occupation which were really democratic policies. General MacArthur, through Gen. Courtney Whitney, made a resounding reply to the Russians that kept them quiet for quite a while.

I must say that episode rang a bell all through the official life of the United States. James F. Byrnes heard it. He was then Secretary of State, and shortly after that, in the Council of Foreign Ministers in London, he began to take a tougher stand against the Russians. By the time Jimmy Byrnes left the Secretaryship of State, he was following a rather strong policy against Soviet Russia.

Representative HAYS. I just have one other question.

You have mentioned several times, Professor, these subversives who went out to Tokyo. Would you like to name them for the committee, who they were?

Dr. COLEGROVE. I would rather not, Mr. Hays. They are all named in the McCarran subcommittee report. I haven't got that list with me. I have a list in my library in Evanston, but I haven't been able to fly to Evanston to consult it. I wouldn't want to trust my memory

upon that. But I can say this: Every one is named in the report of the McCarran subcommittee.

Mr. WORMSER. Professor, I would like to ask you this: Do you think the IPR incident is an example of the danger involved in foundations financing outside research organizations which don't have, let's say, an academic standing for research, instead of perhaps doing it through universities? Would you comment on that?

Dr. COLEGROVE. Well, Mr. Wormser, everything in life is dangerous, and I think the answer could be that they can be a powerful help, a great assistance to the Government, and at the same time, of course, they can be very unfortunate. Of course, it depends upon the character of the organization.

Now, here was the Institute of Pacific Relations, supposed to be a research organization, which had been captured by subversives. And yet it was actually furnishing names of personnel to fairly important officers within the Government.

Mr. WORMSER. If the organizations wanted to have that kind of research done, wouldn't it have been far safer and sounder to do it through the universities, who, after all, have a certain discipline and a certain check on research and what not?

Dr. COLEGROVE. Oh, yes. I would agree with that. I think the universities are much more sound and much more safe than most of the operating societies. But, of course, a university is a local concern. Let me say, the American Political Science Association might be helpful in the selection of personnel, because we are supposed to know all the political scientists in the United States better than the Government does. And our advice ought to be worth something.

Representative HAYS. You could get in a position, there, Professor, couldn't you, where you would have people saying, "Well, now, let's not give any to that university or this one, because they are not safe." And bringing in all different shades of opinion, you could have that same problem arise there, couldn't you?

Dr. COLEGROVE. Admittedly. That might well be true. Every system is more or less dangerous in one sense, and every system has some elements of help.

Mr. WORMSER. Professor, would you comment on the general area of the dependence of the academician on foundation grants?

Dr. COLEGROVE. Yes. Today a professor of political science who wants to conduct certain research that is costly is in a rather difficult position unless he gets a grant from a foundation or through an operating society, like the American Council of Learned Societies, or through his university, based upon a grant from a foundation. And that means, of course, ultimately, the foundations pass upon the kind of research which shall be done, particularly with reference to the subjects of research which should be undertaken.

Personally, I have been more or less a lone wolf in my research. I suppose you can divide professors into categories. There are professors who would rather work alone as a one-man project on a subject that interests them deeply. Others want to investigate, let's say, certain phases cooperatively.

If you are in a cooperative research project, you are doing one section. You may not know what the other man is doing in the other section. You finally have to get together and have things parceled out. Probably the greatest books in the world were written by the

"lone wolf" philosophers who work alone, like Immanuel Kant, in his study, and who has received practically no assistance from anyone. You have the difference there between Plato and Aristotle. Plato was a philosopher who paced the walk, the peripatetic school. His students listened to him carefully. He didn't do much listening himself.

Take Aristotle, on the other hand, Aristotle, in writing his book called Politics, investigated 158 constitutions. Now, he didn't do all that himself. Aristotle must have had quite a considerable research staff or group of devoted pupils. That is cooperative research. Aristotle had evidently a large research group working with him. So you find two kinds of professors, the ones who would like to engage in cooperative research and others who would like to make a study that they control entirely themselves and do all the work themselves.

Mr. WORMSER. They are all dependent on foundation grants in the last analysis, though?

Dr. COLEGROVE. Oh, yes. Now most of it depends upon foundation grants.

Mr. WORMSER. Does that result in a situation, Professor, where the academicians are somewhat reluctant to criticize the foundations?

Dr. COLEGROVE. Oh, yes, you don't like to bite the hand that feeds you. It is not quite civilized to do that. There is that tendency. And, of course, there is a tendency almost to fawn on the man who gets you the research project. I have tremendous respect, let us say, for one of the men in my own profession who had a great deal to do with the granting of research funds. That was Prof. Charles E. Merriam of the University of Chicago, one of the greatest of our political scientists, and a man of the greatest integrity. I remember a conversation I had with Professor Merriam in Paris, when he came out to Europe to investigate the Laura Spellman Rockefeller Fund, which was in the process of being changed at that time.

I remember a conversation in a Paris restaurant at that time, I think, the Cafe Majeure, in which Professor Merriam said, "Money is power, and for the last few years I have been dealing with more power than a professor should ever have in his hands." He said, "I am nothing else than a Louis XIV academic agent." Somebody sitting next to him said, "Well, Professor Merriam, not Louis XIV. You had better say Oliver Cromwell."

And Merriam said, "Call me any name you want. I have too much power in my hands."

Well, Merriam controlled a large part of the research that was doled out by the Social Science Research Council, and I think that he was extremely able in his selections. But I do think there is the tendency, in the case of a great man like Merriam, for the younger men to get in almost a fawning position with reference to them.

Now, I don't mean young men running to help him on with his coat or to pick up his papers or to carry his valise down to the depot. I mean something more subtle than that. I don't mean even laughing at his jokes or getting students to come into his classes. I mean something quite a little bit more subtle than that. Perhaps I can best explain myself by giving one incident with reference to the American Political Science Association.

We hold an annual convention every year, in which we have round-tables and sessions where pertinent questions are discussed, and professors and experts lead the discussion. As secretary of the American

Political Science Association, I used to assist in developing these programs. And I noticed that there was tremendous competition among the heads of roundtables to get Professor Merriam to appear on the roundtable, or Prof. Charles A. Beard, who is a remarkable scholar. The competition was terrific. Merriam and Beard were very generous. They generally accepted those invitations. But from the standpoint of managing the society, it was very clear that having Merriam and Beard upon too many roundtables cut off a lot of the younger men that ought to have participated. So we put through a rule that no member of the Political Science Association should appear at any roundtable more than two times each year. That caused quite a little bitterness among various chairmen of roundtables who were trying to build good programs.

I remember one man who was a chairman and who bitterly denounced me saying, "You have ruined my chance to get a social science research grant, because you have cut me off from getting better acquainted with Professor Merriam. You have not been fair to me." I didn't realize how chairmen of roundtables, professors themselves, were bidding for Professor Merriam not only because of his talents but because of his control of so much money for the Social Science Research Council.

Representative HAYS. Professor, if I were to grant everything you say to be true, and I am not going to dispute it with you, you are just talking about a rather human tendency there, aren't you, that could be applied to most anything? Not only heads of foundations, but I can give you a little example in politics. When they have a big picnic or something out in my district, if the chairman of the picnic is uninhibited, he shoots for the President, knowing he isn't going to get him. Then he tries for the Governor, and if the Governor is tied up, then they try for the Congressman, and if he is not available, they will settle for the sheriff or somebody else, you see. But they just come down the line. It happens over and over and over again. I don't know what you are going to do about it. I don't believe even the law would stop it.

Dr. COLEGROVE. Both of these items, the one you have described, and the one I have, are right out of human events, aren't they, human nature? It is there, and of course it will operate.

Representative HAYS. And, of course, Professor Merriam's profound observation about "Money is power," I don't think was quite original with him.

Dr. COLEGROVE. Oh, no.

Representative HAYS. It is a thing that we have known back since the time of maybe this Pharaoh they are digging out now.

Dr. COLEGROVE. The Stone Age, probably, when money was in the form of stone.

Representative HAYS. And that is another thing we just have to muddle along with and deal with as best we can.

Dr. COLEGROVE. I think we should realize that we have these human aspects to deal with and they can't be ignored.

Representative HAYS. That is right. I agree with you.

Mr. WORMSER. I asked the question, Mr. Hays, to bring out the point, if it is true, that there is a reluctance on the part of academicians who are dependent on grants, to criticize the foundations.

Representative HAYS. I realize that, Mr. Wormser, and I am sure that Dr. Colegrove has his opinion about that, and I am sure he

believes in it. But I have enough letters from people, from professors of political science, sociology, and so on, who say they have never gotten a grant, and some say they have gotten a grant, who will testify. I am willing to concede that with some people that would be a point that would be well taken, but I don't think you can apply it like a blanket over everybody. Do you agree with that, Doctor?

Dr. COLEGROVE. Oh, no, you can't generalize completely. That is quite true.

Representative HAYS. Because there are some people—we had one here last week who admitted he was a foundation baby. Yet he came in and criticized the foundations. So there are people who will criticize if they think the criticism is justified, no matter what. You have got to assume that there is enough integrity in the country that people will do that. Don't you agree?

Dr. COLEGROVE. Yes. I will agree wholly with that.

I must say that some people think there is considerable paternalism and pontification on the part of the grantors. My own experience has been that the officers of the foundations have leaned over backwards not to pontificate or to assert their opinions too greatly.

I recall one case where it seemed to me that there was a little "lecturing" done, to use a mild term, by a foundation. I don't resent it, but I know Prof. Frederic A. Ogg very greatly resented it. The American Political Science Association established a committee on the study of American legislatures, and particularly Congress. A very able young political scientist was made head of that committee. His name was Dr. George Galloway. And the officers of the committee were directed to go out and find $50,000 to carry on this investigation of Congress. So Professor Ogg and myself had that task. We went to the Rockefeller Foundation. Joseph Willits turned us down, I think probably correctly. Then we tried the Carnegie Foundation for the Advancement of Teaching, and a remarkably fine scholar was head of that. It was near his retirement. He was Dr. Walter Jessup. I think he listened to us with a little impatience, and at the end of it he gave us a lecture that was nearly twice the length of our presentation of the case, in which he berated us rather strongly for not teaching with conviction. He chose me as a horrible example. He used to be president of the State University of Iowa, and knew my father very well, who was a president of a small Iowa college. And Dr. Jessup at that time said that he felt the small colleges were doing a much better job than the great universities, because teachers were teaching with conviction.

He used as an example of lack of teaching with conviction the fact that we didn't treat the Constitution of the United States like Robert Browning treated the old square yellow book, in The Ring and the Book. I couldn't quite remember his words after Ogg and I left. Ogg was quite incensed. He went back to his hotel. I went over to the public library, on 42d Street in New York, and looked up "The Ring and the Book," just to find out what President Jessup meant. You probably remember the poem from your school days. I had forgotten it. But in talking about the old book, 200 years old, which Jessup compared with the Constitution of the United States, Browning says: "You see this old square book? I toss in air and catch again, swirl by crumpled vellum covers, pure crude thought secreted from men's minds when hearts beat hard, blood ran high, 200 years ago."

Well, I think that is what President Jessup meant with reference to the Constitution of the United States. It was pure solid thought, and we, political scientists, weren't teaching that Constitution with very much conviction.

I was sorry to say, however, that President Jessup didn't carry out as fully as I think he should have carried out the giving of help to the small colleges and not concentrating the research grants in the operating societies, who practically ignored the small colleges. And I think you realize, in Ohio, which is full of small colleges, that there is more of genuine American tradition taught in those small colleges than in most of our large universities.

Representative HAYS. I might as well get in a plug for Ohio here and say it has more colleges than any State in the Union.

The CHAIRMAN. Not to be left out entirely, my congressional district has seven colleges in it.

Mr. GOODWIN. Without attempting to make any odious comparison with the sovereign State of Ohio or the sovereign State of Tennessee, let me say that on the authority of the Federal Office of Education, I find that in Massachusetts there are 72 institutions of learning of college grade. As a matter of fact, it is often said back home that if and when our textiles should all go down to Tennessee or points south and if we should lose our other industrial establishments, never having had any agriculture compared with the Middle West, all that would be left for Massachusetts would be our summer resorts, the Berkshires, Cape Cod, and the North Shore, and our colleges and educational institutions.

Dr. COLEGROVE. I might say that I happen to be one of the trustees of a small college in Iowa, Upper Iowa University. We have only four buildings; a library, a girls' dormitory; a physics hall, and a gymnasium. The science building burned down the other day. It was proposed that we apply to some foundation to get the money to rebuild this hall. And, of course, we knew that it would be absolutely impossible to get assistance for that university, that small university.

The CHAIRMAN. When the foundations come on, that is one question I expect to ask, not as a criticism, but in order to get the explanation: Why have the foundations changed the policy which has done so much good in the past and, I think, has built up so much goodwill for the foundations? The policy has been changed to veer away from that type of expenditure to other types that some people think are open to greater question. But I won't ask you, of course, to comment on that, because you are not in a position to do so.

In referring to Mr. Jessup, are you referring to Jessup, senior, or junior?

Dr. COLEGROVE. No, President Walter Jessup.

The CHAIRMAN. Walter Jessup?

Dr. COLEGROVE. Walter Jessup, who formerly was president of the State University of Iowa.

You know, Mr. Chairman, I might follow through on one other aspect, because it does show the operations of a professional society like the American Political Science Association.

All the foundations turned us down on this study of Congress. But we did find the money.

Mr. DeWitt Wallace, editor of the Reader's Digest, gave us $5,000 one year and $5,000 the second year. And we conducted our research, a study of Congress, on that very much reduced budget.

I am of the opinion that we sometimes spend too much on research. The Political Science Association made this study on less than $10,000.

I might say this, that our study impressed Congress so much, especially Senator LaFollette and Representative Mike Monroney, that on the basis of this study they called hearings and drafted a bill for the reorganization of Congress, which I think most of us believe has been a very helpful piece of legislation.

I might just add this, also, that the committee under Dr. Galloway advised the Congress that the salaries of Congressmen ought to be raised in both Houses to $25,000. The Congressmen themselves didn't have the courage to go that high. It shows probably that political scientists have more courage than Congressmen.

Representative HAYS. Talking about this Reorganization Act, you know, Congress is composed of human beings, too, and they are just about as hard to make laws for, I guess, as the average American.

Do you recall one of the significant things about that was the elimination of a great number of committees?

Dr. COLEGROVE. Yes. That was one of the recommendations.

Representative HAYS. Of course, what they did was that they eliminated committees and every committee created 7 or 8 subcommittees, so we wind up with more committees than we had before.

Mr. WORMSER. Professor, do you see a strong tendency in the social sciences, and research particularly, for high centralization, resulting in a sort of a concentration of power?

Would you comment on that, please?

Dr. COLEGROVE. Yes. It is much more convenient for the foundations to deal with the operating societies if they are located in New York or Washington, such as, for instance, the American Council of Learned Societies, or the Social Science Research Council. The large foundations who give most of the money are, of course, in New York. I think there has been a tendency on the part of most of the foundations to hope or expect that the professional societies will move down to Washington. And that has been the case with the society that I have been connected with so long. I am no longer the secretary of the society, that is the American Political Science Association.

I think there is no question that the foundations wanted us to come to Washington. And shortly after I resigned, the American Political Science Association did move its headquarters to the Capital.

Representative HAYS. You don't see anything sinister in that, do you? It is just a matter of convenience, isn't it?

Dr. COLEGROVE. Well, it is a matter of convenience for the foundations, I think. I would prefer this: The American Political Science Association is an association of teachers of political science. They are located all over the United States. I felt, as secretary, that I owed an obligation to every member who taught, whether it was in a large university or in a very small, little college of two or three hundred students. And our headquarters had generally been in Evanston or in Ann Arbor, right in the center of the United States. And we tried to have our annual conventions held as near the center of the United

States as possible. We also tried to keep the dues down to $5. When the association was moved to Washington, the dues went up to $10. And you know that is more than a lot of professors in small colleges can afford. In a large city, $10 isn't so much, but in a small town, professors who are getting only $1,500 or $1,800 a year, or $2,000—they are lucky if they get $2,000 or $3,000—that is too high a fee for annual dues. So I see both unfortunate and fortunate aspects of the location in Washington.

Mr. WORMSER. Professor, my question wasn't directed solely at the geographical aspect. I meant also to include the concentration in effort; that is, the tendency for the foundations to direct their research through intermediate organizations, like the Social Science Research Council and the Council of Learned Societies, and so forth. Do you see that tendency?

Dr. COLEGROVE. Yes, of course there is that tendency. It follows from human nature, of course. There is more day-to-day conversation and consultation between the officers of the professional societies and the officers of the operating societies, like the American Council of Learned Societies, and the officers of the foundations.

I think that the officers of the professional societies are extremely good listeners and follow pretty carefully the advice that is given them by the foundation officers.

Mr. WORMSER. Professor, we have had some testimony to the effect that there has been this conscious concentration of research direction, mainly through what we have referred to as the clearinghouse organizations, and also to the effect that the Government now spends on the aggregate in social research more than all the foundations put together, and that this government research has also come more or less quite substantially under the direction of these same groups. Would you comment on that, and add to your comments your conception of whether that is a desirable factor or a desirable development, this high concentration of direction in one group, however well qualified?

Dr. COLEGROVE. Well, I think the present danger, Mr. Wormser, in that respect, is due to the fact—because the concentration is apparent—the danger is partly due to the fact that the foundations have been demanding and giving grants for research that is more particularly slanted toward the left than toward the right. That seems to be the tendency of the times. You can't say what is the reason our research has been so much leftist research at the present time. You can't blame the foundations for it. It goes along with the spirit of the times.

Do the foundations merely follow the spirit of the times, or do they contribute very much to the spirit of the times?

Was Plato a product of a great civilization, or was later Greek civilization a product of Plato and Aristotle?

The causes and effects are so completely mixed up.

But there has been a tendency, I think, on the part of the foundations to select subjects, promote subjects, which are somewhat leftist.

Representative HAYS. Right there, what do you mean by "leftist"?

Dr. COLEGROVE. Well, you know, President Roosevelt used to say, "You will find me just a little left of center."

I suppose you will have to take half a compass in this. The middle of the road is center. Then toward the left, of course, is from center

toward radicalism. Toward the right is from center to ultraconservatism.

Representative HAYS. Or you could use a comparable term to radicalism, "reactionaryism"?

Dr. COLEGROVE. Yes, reactionaryism would be a very good word for the other extreme, a very good word. It is extremely hard to say why that swing occurs.

The CHAIRMAN. Since I am sometimes referred to as a reactionary, I would like to have your definition of a "reactionary."

Dr. COLEGROVE. Terms like these have to be used in the sense of a relative comparison.

The CHAIRMAN. You need not reply to that.

Mr. GOODWIN. Wasn't it Calvin Coolidge who said, I think, in a message to the Massachusetts Legislature: "Don't hesitate to be as reactionary as the multiplication table"? Doesn't that form the basis for a pretty good definition of reaction?

Dr. COLEGROVE. The multiplication table never changes. It is a fact. We all accept it.

The CHAIRMAN. I am not sure that I am fully in accord with your statement about the spirit of the time being leftist so far as the great masses of the American people are concerned.

Representative HAYS. I am not, either. I don't like that term. I would rather he would use "liberal."

The CHAIRMAN. It is my evaluation of the American people that they are very sound in their thinking, and they are very apprehensive about some of the movements which you probably have in mind as being leftist, and when they are given an opportunity to express themselves I think they will usually express themselves. I think the American people are certainly not left of center, the majority of them. They try to stay in the center.

Representative HAYS. Well, of course, you will have to decide what left of center is. As I have pointed out many, many times, social security was considered pretty leftist when it was first advocated. So was bank deposit insurance considered very leftist, if you want to use that term. But now not even a reactionary advocates doing away with it.

The CHAIRMAN. We ought not to get off into this. But, again, as a "reactionary," I was in favor of Federal deposit insurance before there ever was any Federal deposit insurance, and I was very much for it when it was adopted, so I don't think that is a fair example, nor am I sure that social security is. But, anyway, that is aside from the question, so I think it is best not to get into it.

Dr. COLEGROVE. The comment of Mr. Hays seems to be correct that movements go back and forth. Whether you accept the pendulum theory of history or whether you accept the cyclical theory of going around in circles that Plato and Aristotle used, or whether you take the spiral theory of the Marxians, there is constant change. And words change, too. The term "liberal" is an extremely hard word to deal with. It has to be put in a historical context. We might consider the Liberal Party of England, which was, you might say, the left side of English parliamentary history, for a hundred years, as against the conservative side with Gladstone on one side and Disraeli on the other. The Liberal Party today would probably be considered very reactionary, because they believed in laissez faire. They believed in no interference by government.

Representative HAYS. Even a more striking example, it seems to me—perhaps you will agree—is the present Conservative Party in England. By our standards, the Conservative Party would be considerably to the left of center, wouldn't it?

Dr. COLEGROVE. Yes, by our standards.

Representative HAYS. But it still calls itself the Conservative Party.

Dr. COLEGROVE. Yes, it still calls itself the Conservative Party. And the party that Premier Yoshida presides over in Japan, the Jiyuto, is the Japanese translation for "liberal," and it is one of the most conservative parties in the whole world.

Representative HAYS. That points up very succinctly the difficulty we have in defining the terms we use here every day.

Mr. GOODWIN. Is that not also true in trying to define even "center"? Roosevelt said he was a little to the left of center, which raised some suspicion in my mind as to what he meant by center.

Dr. COLEGROVE. I suppose the only definition is "middle of the road at the time." And it is not the same road every year. But "middle of the road" is the approximation.

The CHAIRMAN. When I was down home driving a wagon to town and walking on foot, I always found the middle of the road kind of hard to travel. It usually had rocks in it. So I had to get over on one side or the other just a little bit.

Mr. WORMSER. Professor, could I focus this discussion in this way: Has there been a tendency among the foundations, and in this concentration of power generally, to believe that conservatism is against progress? Might that explain the rationale of grants toward the left rather than to the conservatives?

Dr. COLEGROVE. There is a tendency, I think, in the faculties of our colleges and universities which I suppose is the spirit of the times—and times change—to think that the conservative is opposed to progress, that it is the great obstacle to progress. And research that comes up with conservative results they would say is bad research.

This often happens. I have actually heard very distinguished professors say, with reference to certain other professors, "He is not a liberal. He is opposed to Soviet Russia." Now, that, of course, is a very unfortunate use of the term "liberal." But for years and years there has been a tendency in the American classroom—you may have noted it in Columbia University—to think that intellectualism and liberalism or radicalism were synonymous; but if a person was conservative, like Edmund Burke, he was not an intellectual. That has been a rather unfortunate aspect, it seems to me, with reference to teaching in universities.

I would like, if I may, to say one word regarding the students of these professors. Universities swing back and forth, in this direction. There was one man who founded the graduate school of Columbia University. His name was John W. Burgess. He was one of the greatest political scientists the world has ever seen. His work called Political Science and Comparative Law practically bowled over the profession. He founded political science in the United States. He was one of the most conservative of men, one of the most conservative scholars, and he stood at the top of his profession in the eighties and nineties and the first decade of this century.

Among his students were some outstanding conservatists. He was a conservative professor and turned out a lot of conservative students.

Chief Justice Stone was one of his students. Nicholas Murray Butler was one of his students.

On the other hand, he turned out quite a number of students, probably just as many, who were what we would call liberal, or left of center. One was Professor Merriam himself. Another one was Charles A. Beard, a distinguished scholar. And most people don't realize it, but Franklin D. Roosevelt was one of his students. We know at Hyde Park there is evidence that in all his career at Columbia University, Roosevelt took notes in only one course; he didn't pay any attention to any of the others so far as note-taking was concerned. He took very full and complete notes on Professor Burgess' lectures on constitutional law.

Well, here was a very distinguished founder of a graduate faculty of law and comparative government. He turned out all kinds of students, on the right and on the left. I think Columbia University has swung more and more to the left. Professor Burgess would not be today considered quite as high in Columbia as he was back in the eighties and nineties. You have that swing back and forth.

Now, I think probably John Dewey and his influence at Columbia promoted that swing very considerably. The philosophy of experimentalism contributed to it. And, of course, Beard, an able man, went to England. There he met, of course, the very impressive movement of the Fabian Society there, Sidney and Beatrice Webb, particularly. And Beard was one of the devoted students of Burgess. Professor Beard brought back to the United States the doctrine of the economic interpretation of history, which he got through the Webbs and through the Fabians, and wrote his book called Economic Interpretation of the Constitution of the United States, which followed the Marxian thesis.

Professor Beard then taught at Columbia University and left Columbia University because of a difference with President Butler about 1918. But he exercised a great influence among the political scientists and historians.

Toward the end of his life, he became much more conservative. Professor Beard died a rather conservative professor.

I remember, when the spirit of the times of the American Political Science Association was carrying the younger members along to left of center, further left of center, Beard was the idol of our political scientists. He was an eloquent person then. He seemed to be so reasonable.

But when Beard changed, toward the end of his life, I remember very distinctly in 1949, this fine old man gave his last address before the American Political Science Association. And he was hissed. The times had gone way beyond Charles A. Beard. In fact, he had gone back a little along the path that he had traveled in his youth.

Mr. WORMSER. He was hissed because he had turned toward conservatism, Professor?

Dr. COLEGROVE. Apparently because he had become a little anti-New Deal, and partly because he opposed bitterly the foreign policy of the New Deal. He was bitterly opposed to it.

Professor Beard became the founder of what we call the revisionist school in American history.

Mr. HAYS. Well, that is an interesting thing. You say he opposed the foreign policy of the New Deal. I have heard a good many

charges that they did not have any, and I have sort of halfway agreed with that. Just what do you mean by that?

Dr. COLEGROVE. Professor Beard thought it was a matter of the whim of the President of the United States at that time, that the President was interventionist; and Beard thought he tried to drag the United States into war.

Professor Beard became our outstanding isolationist, far more isolationist than Senator Taft. I think it is incorrect to call Taft an isolationist. Beard really became an isolationist.

Mr. HAYS. That is what I wanted to know, whether that was what you had reference to.

Mr. WORMSER. Professor, the pragmatism movement which started with James at Harvard, I assume had considerable influence in this movement which turned a good deal of universities thinking to the left?

Dr. COLEGROVE. Yes, the history of Harvard University in this field is very much the same as Columbia University's. I think Columbia University went further than Harvard did. Maybe Harvard is not as wide awake as Columbia University is. Dr. A. Lawrence Lowell, who was president of Harvard University for a considerable number of years, was chairman of the department of government, and he was quite as conservative as John W. Burgess was. He had a powerful effect in England, too. His study of the English Constitution and the English Government had great influence in England as well as in the United States. In the eighties and nineties and at the turn of the century, Harvard was extremely conservative in the social sciences, just like Columbia.

Then I think on the philosophical side, the psychological side, Harvard went the same way as Columbia did. One of the leaders, of course, was William James. And his book called Varieties of Religious Experience, I think, has undermined the religious convictions and faith of thousands of young people in the United States.

You know, Mr. Wormser, with all the attacks that have been made upon religion by certain scientists, by the empirical school, and right at Columbia University and Harvard University, I think that we are finding among scientists themselves a realization that science doesn't have all the answers to reality; that there are experiences of religion, questions of religious faith, that may, after all, be just as much a part of reality as the study of the stars or the study of atomic energy, or anything else.

I see, so far as science is concerned, a move away from the complete control of empirical thinking and a return to a little more rational or a little more humanistic consideration for religious principles, moral principles, and ethics.

Mr. WORMSER. You do not think, then, that you social scientists are capable of producing all the answers?

Dr. COLEGROVE. Oh, absolutely not. No. No, we do not have all the answers in social science. We are rather dangerous people to trust implicitly.

Mr. WORMSER. Would you comment somewhat, professor, on the scientific method as related to the social sciences? We have had some testimony to the effect that they are not, strictly speaking, sciences at all; that you cannot translate the methods of the natural sciences closely ino social areas.

Dr. COLEGROVE. Well, the scientific method, of course, is something that various people define in various different ways. If you say the scientific method is a method which will allow you to generalize only upon facts or observation of phenomena which you can see, and prove they exist through the senses, then, of course, the scientific method is very much limited.

Mr. WORMSER. You are referring there to Mr. Hays' favorite term "empiricism."

Mr. HAYS. Do not tag that term on me. I did not think it up. In fact, it is not my favorite one.

Dr. COLEGROVE. Well, in one sense that was the difference between Aristotle and Plato; Plato being more the armchair philosopher, the idealist, and Aristotle, in many respects, the founder of the great school of empiricism.

But the trouble is about going the limit in one direction and ignoring the other side.

Mr. WORMSER. Well, what is the other side, professor?

Dr. COLEGROVE. As far as empiricism is concerned, it is holding too completely to the technique of purely statistical method, of dealing only with data which can be observed by the sensory organs, opposed to evidence which can be treated by inference or by argument on accepted principles, or building up assumptions that lead to accepted principles.

Now, on the rational or idealistic side, the side, for instance, that Immanuel Kant was dealing with, he tried to take into consideration other aspects of civilization than those you can actually see and touch. I refer to Kant's "categorical imperative," for instance, where he said that what he was impressed by was the starry firmament above his head and the moral law in man's breast. Now, the moral law comes from reasoning. It may be a priori reasoning, but it comes from reasoning and from faith, and from willingness to accept a religious or unexplainable part of our human existence. I think Kant struck the happy medium when he speaks of the starry firmament above, which, of course, can be empirical, and the moral law in every man's breast, which, of course, is deeply religious.

Does that answer the point?

Mr. WORMSER. Yes; it does. You made some analogy with Marxian dialectics which was not too clear to me. Would you develop that somewhat?

Dr. COLEGROVE. I think among us political scientists, a great many of us tend to accept the pendulum theory—I am using these debatable terms—that politics swings to the right and then you swing to the left. You will find that American history will swing, over a period of 10, 20, or 30 years, to the right, and then swing, over a period of 10, 20, 30, or 40 years, to the left, and so on. That would be a pendulum theory.

The cyclical theory of Aristotle, more or less of Toynbee, although he doesn't admit it is cyclical, is that civilization goes in great cycles. With Aristotle, the cycle was, so far as government was concerned, progress from aristocracy to kingship, from kingship to a great disaster, to mobocracy, and out of mobocracy to some kind of a democracy. From democracy you sell out to the rich men, the oligarchy. Finally, the brainy men, the aristocrats, come back, and finally you have the king. You have swung around the circle. The spiral theory, which is

Marxian, is also cyclical, of course. History advances; you have the struggle of the plebes and the patricians in Rome, the Roman Empire, the passing to feudalism, which they call a form of slavery, the rise of the bourgeoisie and the industrial age; sweeping around in a cycle. But it is a spiral. You are always landing one place, in the Marxian theory. You are aiming right at the classless society, the dictatorship of the proletariat and then the perfect Communist society.

Mr. HAYS. Do you subscribe to any of those three theories, doctor?

Dr. COLEGROVE. What is that?

Mr. HAYS. Do you personally subscribe to any of those theories?

Dr. COLEGROVE. I think there is something to every one of those theories. You can assemble a lot of data that looks as if the pendulum theory was right, that you swing from the right to the left, or from radicalism to conservatism, and so on. And if you take Greek history, Greek history followed the Aristotelian cycle several times.

Mr. HAYS. You can almost document the history. Of course, when you try to apply those theories to the future, that is when you run into difficulty.

Dr. COLEGROVE. The only cue you can follow is that history repeats itself. History follows somewhat the same pattern.

Mr. WORMSER. Now, professor, do you think the foundations have been in any way responsible for this general tendency in education and research? I cite a couple of notes you gave me on the failure to emphasize American institutions as sound.

I think you referred to the emphasis being laid on what you call the "pathology" in studies of the American Government, and little attempt to find out what makes our government work as well as it does; a tendency rather to present what is as somewhat wrong and to look for ways to change it to make it better, instead of how to find out what makes it work so well. Could you tell me what this trend has produced and to what extent you think foundations are responsible for it?

Dr. COLEGROVE. I think foundations could hardly be said to have been the originators of any such tendency, but they certainly have promoted it.

Curiously enough, people are sometimes much more interested in pathology, in disease, than they are interested in the healthy body.

Mr. WORMSER. By "pathology," you meant the ailments in our society?

Dr. COLEGROVE. The ailments, yes. Or let us say the sore spots, slum areas, rather than fine residential areas, and so on. I think there has been unfortunately a tendency on the part of the foundations to promote research that is pathological in that respect, that is pointing out the bad aspects of American government, American politics, American society, and so on, instead of emphasizing the good aspects. You have that difference right in Charles A. Beard himself. His Economic Interpretation of the United States is Marxian and pathological. When he wrote The Republic, that is sound. He is dealing there with the sound part of American Government.

Mr. HAYS. Don't you think, Doctor, that again we are running into the human variable, there, in this pathological approach? I mean, we could use this committee as an example. It has been entirely "pathological" so far, pointing out the defects, you see. It is just like a person going to the doctor, is it not? If you are sick, you go. If you are well, you tend to forget about him. You do not need him, you think.

Dr. COLEGROVE. I would say that the better policy for the foundations would be to try to encourage more study of the healthy portions of American society rather than laying so much emphasis upon the pathological aspects.

Mr. HAYS. I agree with you. Personally, after 6 years in Washington, I would like to see them do a study on why the Government works as well as it does.

Dr. COLEGROVE. That would be a profitable study.

Mr. HAYS. It is a mystery to me.

Dr. COLEGROVE. That would be a profitable study. James Bryce had something to say on that, too, years ago.

Mr. WORMSER. Professor, would you say that in that area science, in the sense that it is used by social scientists, has been used as a sort of cloak for reform; that there has been this conscious movement to reform our society; and that that has sometimes taken a distinctly radical trend?

Dr. COLEGROVE. Yes. Undoubtedly. If you are going to study the pathological aspects, the natural tendency of human nature—we are getting back to human nature, of course—is to find out how to cure it, how to alleviate it, and so on. And if the foundations contribute overmuch to pathological studies, and not sufficiently to the studies with reference to the soundness of our institutions, there would be more conclusions on the pathological side than there would be conclusions on the sounder traditional side of American government, American history, and so on. That would inevitably follow.

It seems to me sometimes the foundations have gone out of their way to try to get a non-American solution for some of our pathological aspects; as, for instance, when the Carnegie Corp. brought a Swedish scholar over to the United States to study the social problem in the South, the racial problem in the South. I think Gunnar Myrdal was a rather unfortunate selection, or rather the promotion of his conclusions was unfortunate. We were told that here was a wholly objective foreign scholar who was going to study one of the difficult problems of American life, namely the situation of the Negro. And it was concluded that, of course, his method would be right, because he had not lived in the United States a long time, he was not connected with the race that he was studying, and he was a foreigner.

Dr. Myrdal was a Socialist, pretty far left, indeed extremely left. He was not unprejudiced. He came over here with all the prejudices of European Socialists. And the criticism that he makes of the American Constitution, the criticism that he makes of the conservatives of the United States, are bitter criticisms. He didn't have any praise at all for the conservatives. He did praise what he called the liberals. And he implied that it was the conservatives in the United States who created the problem and who continued the difficulties of any solution. I felt the foundations did a great disservice to American scholarship in announcing his study as an objective nonpartisan study whose conclusions were wholly unbiased. It was almost intellectual dishonesty.

Mr. WORMSER. Professor, the term "social engineering" has become rather widespread. We seem to find social scientists conceiving of themselves as sort of an elite entitled by their peculiar qualifications and by their presumed ability as scientists to solve human problems,

justified in telling the rest of us how we should organize ourselves and what form our society should take.

Would you comment on that, on this social-engineering feature which has arrived in the social sciences?

Dr. COLEGROVE. That, of course, grows out of the overemphasis on the constant need for reform. The assumption is that everything needs reform, that unless you are reforming you are not progressing. I think it is in large part due to the failure of the foundations, the failure of many of the scholars they choose, to fully understand what the principles of the American Constitution are, what the principles of American tradition are. Some of them, I know, do not accept those principles as sound. They even attack the principles. Of course, we all know that the principles should be examined and reexamined. But there is a tendency on the part of those who get grants from the foundations to think that they must turn out something in the way of reform; not a study which does not suggest a definite reform but a study more like Myrdal's study, The American Dilemma, which poses a condition in which there must be reform.

Mr. WORMSER. Does that tendency to insist on reform in turn tend to attract the more radical type of scholar, with the result that grants are made more generally to those considerably to the left?

Dr. COLEGROVE. I think undoubtedly it does, especially in the cooperative research, where a large number of people cooperate or operate together on one research project.

Mr. HAYS. Professor, in specific example, I am thinking now that over the weekend, I saw an article in one of the Ohio newspapers, of one of our cities up there, one of our larger cities, in which they had made a study of juvenile delinquency. It was merely a factual study about what part of the city these cases came from. They had figures from the court records to show that about 73 percent of them came from a slum area of the city. Now, that, of course, is pathological, if you are going to study that. But then if you did study it, you would pretty nearly have to come up with some kind of a recommendation about how to alleviate it; would you not? You could not come up and say the American tradition says we have slums, and we have always had them, and it is a thing we cannot do anything about, so we are going to have juvenile delinquency. You pretty near have to suggest some kind of a reform, if the study is to be of any value; do you not?

Dr. COLEGROVE. Oh, most certainly. And, of course, that is the kind of reform that constantly has to be in operation. Because there is always the tendency, in a large city, for districts to become depreciated districts. Houses tumble down, or are not kept up, and the population becomes very congested in such places. And there, of course, crime thrives. I would say that not all of those studies are really research; those are investigations which should follow research principles laid down. They are routine studies.

Mr. HAYS. But you came up with this fact that we have these statistics. Now, then, your study from there would have to be concerned with, "What are we going to do about them?" And there, of course, you leave your facts more or less behind and go off into the realm of theory inevitably.

Dr. COLEGROVE. Yes. Those solutions are based on what has been done in a great many other cities, and the achievements in those cities. And in many respects, that would be routine. It is obvious that cities

need probably better inspection. A large number of buildings need to be torn down, reconstructed. How are you going to get the money to tear them down? What sort of projects are going to take their place? How are you going to get capital to go into the building of better tenements?

All of that is a routine study that has to be made constantly in the cities if they are going to keep them clean, keep out crime, and make decent places for people to live.

Mr. WORMSER. Professor, back to this term "social engineering," again, is there not a certain presumption, or presumptuousness, on the part of social scientists, to consider themselves a group of the elite who are solely capable and should be given the sole opportunity to guide us in our social development? They exclude by inference, I suppose, religious leaders and what you might call humanistic leaders. They combine the tendency toward the self-generated social engineering concept with a high concentration of power in that interlocking arrangement of foundations and agencies, and it seems to me you might have something rather dangerous.

Dr. COLEGROVE. I think so. Very decisively. There is a sort of arrogance in a large number of people, and the arrogance of scholarship is in many cases a very irritating affair. But there is a tendency of scholars to become arrogant, to be contemptuous of other people's opinions.

Mr. WORMSER. However able they are, Professor, you would not think it would be socially sound for us to be governed or directed by any group of elite, whoever they might be?

Dr. COLEGROVE. No. And, of course, if a certain group considers itself as the elite, as having all the answers to all the questions, as a great many professors do——

The CHAIRMAN. The hour of noon has arrived, and I am wondering how much time the professor will require.

Mr. WORMSER. I think I can finish with him perhaps in 15 or 20 minutes. Or he would not mind coming back after lunch?

You would not mind coming back after lunch, would you, Professor?

Dr. COLEGROVE. No, if that will suit the convenience of the committee.

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:05 p. m., a recess was taken until 2 p. m., this same day.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m.)

The CHAIRMAN. Are you ready to proceed, Professor Colegrove?

Dr. COLEGROVE. Yes.

Mr. WORMSER. Professor Colegrove, I believe you wanted to make a correction in relation to the recommendations made for technical staff in MacArthur's headquarters?

Dr. COLEGROVE. Mr. Counsel, not a correction. I probably didn't get in the whole story.

I was not informed by General Hilldring, as to the source of the recommendations. I later, however, was informed by General Schulgen, the deputy for General Hilldring—Hilldring was Chief of the Civil Affairs Division in the Department of the Army—that the

lists supplied to the Army, besides the American Political Association list, which was never used, came from the IPR, the Institute of Pacific Relations. A Colonel Rae, assistant to the deputy, informed me that there were really two lists. One was from the Institute of Pacific Relations, and the other from the American Council of Learned Societies, and the selection had been made from those two lists.

Mr. HAYS. Just as an interesting commentary, how did your name get on the list, or was it on the list, or how did you get into it?

Dr. COLEGROVE. I don't know. I may have been on one of the other lists. I just don't know. Evidently a selection had been made in December and early January. I got a telegram from Major General Hilldring about the 15th of January. I found later on that the selection had really been made back in December from the two lists. I never saw the list, except the list that General Schulgen gave me of the persons who had been appointed.

Mr. HAYS. Were you the only one who shared your general views on this group? Did you stand alone, with all the rest of them left, or what?

Dr. COLEGROVE. Oh, no. There were some very good names on the list. I was disappointed that my list had not been used. I had Dr. David Rowe and Dr. Harold Quigley on my list.

Mr. HAYS. No, maybe you are not following exactly what I am trying to find out, Professor. Of the people who were subsequently chosen, was every one of the group, of this so-called left-wing group, except you, or were there other people who shared your general views?

Dr. COLEGROVE. There were some good level-headed experts who were selected. Dr. Cyrus Peake, for instance, who is now in the State Department, an excellent Chinese scholar, and also Japanese scholar. He was on one of the lists. In fact, he was also on my list, but I was given to understand my list was not used. Peake was one of the best expert officers sent out.

Mr. HAYS. The reason I question you along those lines: I got the impression this morning, and I think it was generally left, that there weren't any good people. And after all, this is your opinion of who were good and who were bad. But I sort of got the impression there weren't any good ones on the list. But of the group that went over, there were some that you would approve of?

Dr. COLEGROVE. Oh, decidedly. I gave the wrong impression then. There were evidently some good men on that list who were selected. I assume that their names were on 1 of the 2 lists for the IPR or the American Council of Learned Societies.

I am just assuming that. But there were some very good men, top-notch men.

Mr. HAYS. Perhaps this morning we were a little too "pathological" in our approach to it.

Dr. COLEGROVE. Perhaps. Perhaps I got bogged down in pathology.

Mr. WORMSER. Professor Colegrove, some of the critics of this committee have apparently conceived the idea that it wishes to impose some sort of "thought control" on research or to promote conformity in research, according to some theories of its own. I think I can safely say, as the committee's agent, that it unanimously hopes for the opposite; that it hopes for the freest kind of intellectual competition.

Is it your feeling that this concentration of power which I have mentioned, this sort of close working together of the foundations and

the clearinghouse agencies has, in itself, tended to impose a kind of uniformity or conformity on research in the social sciences?

Dr. COLEGROVE. I think it has, Mr. Wormser. I think it has very decidedly. And it may be largely due to the fact that 1 man, or 2 or 3 men, have such great leadership that they are permitted to make the selections as to the projects.

Now, for instance, at the University of Chicago, where many of the projects were carried out, on the nomination of Professor Merriam, obviously one man making the selections—I do not mean to say he was the only man, but he was influential—would have a tendency to create a uniformity, a conformity, that would be in the direction in which that man was thinking. That could happen on the conservative side as much as it could happen on the liberal side, of course.

I felt that Professor Merriam was always very sensitive to foundation opinion. I remember one episode when I was on the University of Chicago Roundtable with Professor Merriam in 1944, I think, when the subject of our discussion was the question of the soldier vote. President Roosevelt at that time was interested in allowing the boys in the Army to vote in the presidential election. In the course of our discussion before the roundtable opened, I mentioned one point that I wanted to bring up, and that was whether in the United States we ought not to have an educational qualification for voting. Some States have it, you know. Merriam thought that was a good point, but Merriam was overruled by the officers of the University of Chicago Roundtable, who said they did not want us to discuss that question; that they were not interested, although Professor Merriam himself raised that question with the officers. Merriam shrugged his shoulders and said, "You see how we are down here." I felt a little disappointed in Professor Merriam that he did not compel that discussion, since they were having him on the radio as the head of that particular discussion or series of discussions.

Mr. WORMSER. Well, Professor, let me put it this way: If foundations acted independently in designing, let us say, and awarding grants in research in the social sciences, or if they acted through individual colleges and universities, would there not be more of what you might call intellectual competition than if they appropriated a large part of their funds in the research area through intermediate organizations which have a tendency to control or direct the type of research?

Dr. COLEGROVE. Well, I think the universities are better equipped to produce diversity and variety of investigations. That would naturally follow, when you have large faculties, one man interested in a psychological phase, another man interested in a philosophical phase, or economics, and so on. If you have a large committee of the faculty, I think you are more likely to spread the researches.

I want to tell you also one thing about the professor who wants to be a "lone wolf" in conducting investigations all himself. There is a good deal to be said for that kind of a study. Take Hobbe's Leviathan, for instance, one of the books we think highly of. Take Locke's famous Treatise on Civil Government. Both were "lone wolf" studies, done by one man, Hobbes, or Locke, in their own libraries. They were not cooperative studies. Of course, way back in those days, you had to have somebody finance the study, and lordly patrons contributed, of course, to these researches.

But I would like to see more individual projects done by one man, with maybe one assistant, if he wants an assistant. I think that would spread research around more.

Then I would like to see the foundations sprinkle more of these research projects around the small colleges. There is a wealth of brains, a wealth of competence, in our small colleges and universities, which does not have its share in research grants at the present time. I would hope that the foundations would give much more attention to what is going on in the small colleges. The tendency is to concentrate this in the large universities, if they use the universities, or concentrate in the operating societies.

Mr. HAYS. Now, Doctor, when you are talking about grants, obviously I think you will have to agree with me that in the field, we will say, of cancer research, there would not be much that you could do with a grant in a small college. That would have to be concentrated in something like the New York Memorial Cancer Hospital, or something of that type. So you are talking now—or if I am wrong, correct me—about grants in the social science field, and sociology, and those fields.

Dr. COLEGROVE. Yes, I am limiting my remarks to the social sciences. But I can see even in cancer an opportunity for small studies by one man. I know of one such study made by Prof. Harold T. Davis at Northwestern University.

Mr. HAYS. That is not exactly a small college.

Dr. COLEGROVE. No, but it was just a one-man study.

Mr. HAYS. Yes, but I am speaking about the physical equipment he might have to have that would not be available.

Dr. COLEGROVE. He did not need any physical equipment except a good medical library, and, of course, Northwestern has one and the University of Chicago has one and the city of Chicago has several. He did his work entirely in taking the results of research in cancer by the greatest experts on the subject of cancer. He must have gone over three or four thousand articles. Then he applied the statistical method to the medical findings and by use of the statistical method, he reached some remarkable conclusions which have, I think, made an important impression upon cancer specialists over the entire United States if not Europe.

Mr. WORMSER. Professor, two university presidents told me that they thought in principle it would be a good idea to distribute it among the smaller colleges, but actually it was only in the larger universities that you found the men competent to do research in these various areas.

I think one partial answer to that is that in some of these empirical studies no talent is required. They are more or less quantitative studies, which a professor in a smaller college might be able to do just as well as a university professor. What is your idea as to that?

Dr. COLEGROVE. I would agree with that. There are many small colleges located near the center of a State where the professor—if he is dealing with the area situation—could quite easily do a lot of traveling just as well from a small college as from a large university; I think the foundations have not yet explored enough into the talent that can be found in the small colleges.

Of course, there is a tendency for a young man in a small college who gets a grant and thereby attracts attention to himself to be

pulled into a university. Personally, I regret to see the small colleges raided in this way by the great universities taking off the faculties of these small colleges—teachers who are doing so much good for the American people.

The CHAIRMAN. But there would be less likelihood of the so-called raiding both of the faculty and the graduate students in the small colleges if grants were more general and made available to the outstanding faculty members and the outstanding students, don't you think?

Dr. COLEGROVE. Oh, yes, quite true. Quite true. We have had a number of universities that have raided small colleges almost to their destruction. President Harper of the University of Chicago raided Clark University, took pretty largely all of its talent to the University of Chicago. But that was before the foundations were greatly operative; and of course he did it by offering, on the one hand, research facilities, and on the other hand, much higher salaries than they were getting at Clark University.

Mr. HAYS. There is just the point of the whole thing. You yourself say that is before the foundations got into the picture. It happened. And it is the same thing that is happening to the one-room school, the little red schoolhouse. Everybody likes to get nostalgic about it in talking about it, but they are slowly disappearing, and I do not think that the foundations have anything to do with that, do they?

Dr. COLEGROVE. No, it is the better transportation system and the better facilities offered to the pupils at the township schools.

Mr. HAYS. It has only been in the last 10 years that you dared to run for office if you had not been born in a log cabin and had not gone to the little red schoolhouse.

The CHAIRMAN. I have met both requirements.

Mr. WORMSER. Professor, I would like your comments on this subject, if you will. The trustees of these foundations have a distinct fiduciary responsibility which they recognize, in principle, at least, as the trustees of public funds. It seems to me the most important trust function they have is to exercise judgment in connection with the selection of grants and grantees. Does it not seem to you that to a very large extent they have abandoned that trust function, that trust duty, and have delegated the whole thing to other organizations? That in certain areas they have used these intermediate organizations to fulfill their judgment function for them, which they, as trustees, should exercise? Would you comment on that?

Dr. COLEGROVE. I think that has very largely occurred. I do not quite like to put it this way, but the trustees are in many cases just window dressing to give popular confidence in the institution. In the United States we think an institution needs a very distinguished board of trustees; and, of course, you know, from college experience, a great many men are made trustees of a university because the university expects them to make a large donation to the endowment fund or build a building or something like that. And to offset a group of rich trustees, you put on some trustees who have large reputations in the literary world or in other fields than merely finance.

Many of the trustees, I am afraid, have gotten into a very bad habit. They are perfectly realistic. They know why they are put on the

board of trustees. And they are not as careful as they should be in taking responsibility for the operation of those organizations.

I think the Carnegie Endowment for International Peace, which was set up under Elihu Root and President Nicholas Murray Butler way back, I think, about 1908, had a board of trustees picked by President Butler, and I think Butler expected to get a great deal of advice from those trustees.

But I do recall many years later President Butler told me that he had to use very extraordinary methods to get his trustees to meet even for the annual meeting.

Mr. WORMSER. Then, in practice, they delegate their authority partly to other organizations. Of course, where they do make their own grants directly, they delegate enormously to their professional employees, the executives, who do not have the same trust responsibility but are merely executives.

Dr. COLEGROVE. Yes, they delegate their authority in several directions. Trustees delegate their authority to the president of the foundation. The president in large measure even delegates his authority to the heads of departments. A president of one of these large funds sometimes is a little hazy about what is happening in this division or in that division. And in these heads of departments—let's say of the Rockefeller Foundation, where you have the social sciences and humanities—you will find a delegation of authority in the case of the social sciences to the operating society, the Social Science Research Council, and to the American Council of Learned Societies in the case of the humanities. So you have a delegation of authority in two directions there.

Mr. WORMSER. So whether a foundation fulfills its obligation to the public rests primarily on the selection of its employees and the association with these intermediate groups. Is it your opinion, Professor, that these employees—I don't mean in a derogatory sense to say "employees", the officers of these organizations—are on the same caliber as a whole, do they compare well with university executives or those who would administer grants under university administration?

Dr. COLEGROVE. Well, I think those of us in political science feel that Joe Willits, who was a professor of the University of Pennsylvania before he took the position that he has at the present time, is an outstanding scholar, a most competent administrator, a very good judge of human nature. And yet he cannot give all of his attention to the expenditure of these vast sums.

What applies, of course, to the Rockefeller Foundation applies even more forcibly to the Ford Foundation, which is much larger.

Mr. WORMSER. One witness, Professor Briggs, testified that in his opinion there wasn't one single employee in the Ford Fund for the Advancement of Education, from the top down to the bottom, who had had enough experience in the areas in which they were operating to make proper judgments. That does not sound very good for foundation practices, if they select men as carelessly, let us say, as that. I am trying to make a comparison with universities, because I am interested particularly in the possibility that a better medium for foundation largesse may be through the universities, instead of through professional agencies.

Dr. COLEGROVE. Oh, quite true. I think it would require a larger number of topnotch administrators in the foundations to exercise more

critical judgment than can be exercised at the present time. Even there, however, you would have to choose between universities; and if you are going to the small colleges, there is a case where you would have to have many careful surveys and studies, and an acquaintance with the personnel and faculties of those universities. Probably the staffs of high-grade men, let us say men serving under Dr. Willits, ought to be a little higher caliber.

Mr. HAYS. Professor, right there, no matter how a foundation handed this money out, you would find somebody to say they did not give it to the right people.

Dr. COLEGROVE. Oh, yes.

Mr. HAYS. And if they gave it all to the small colleges, you could undoubtedly set up a committee who would say that was a terrible thing and they wasted money and were not getting results, and so on. So all of this testimony is a matter of opinion, is it not? I mean, as to this particular phase. Dr. Briggs says and you say that it should not be done through these societies; that it should be done the other way.

Dr. COLEGROVE. It is opinion based on our observations.

Mr. HAYS. Yes.

Dr. COLEGROVE. My observations would be in a little different field than Professor Briggs' observations would be. I would say, trying to be cautious in what I do say, that based on my observation I think the foundations have not given as careful a study to some of these phases as I would like to see.

Mr. HAYS. Well, now, you talked a little bit ago about the delegation of authority. Do you have any specific ideas about what we could do to remedy that, if that is bad? I mean how are you going to get away from it?

Dr. COLEGROVE. Well, you cannot avoid delegation of authority, but a good administrator has to know how to delegate. He has to choose to whom he is going to delegate, and choose what powers he is going to delegate, and then finally he has to have his system of reviewing the achievements of persons to whom power to make decisions has been delegated.

Mr. WORMSER. May I interrupt to help Mr. Hays' question?

Mr. HAYS. You are sure this is going to be helpful?

Mr. WORMSER. Yes, sir.

Mr. Hays has said that it seemed to him a trustee should not act as a trustee of a foundation unless he was willing to give the time to it that was necessary. It seemed to me that that was a very apt remark. And I wonder if that is not the answer, that these men are so busy with their own lives that although they are eminent they are not capable of being trustees of foundations. That is no criticism of them as persons.

Dr. COLEGROVE. Yes; undoubtedly many of the trustees would not serve if they felt that they would be called upon to do much more than go to the meetings, hear the reports, and sometimes not say a single word. You would not have as brilliant, as lofty, as remarkable, a collection of men as trustees if you required a little more responsibility on their part. I would say, on the whole, the board of trustees is too large. There are too many remarkable men, in New York and elsewhere, who are trustees of more than one foundation. And just as we exercise in the American Political Science Association a "self-

denying ordinance" where no member of the association speaks more than twice in an annual meeting, I would like to see these interlocking trusteeships more or less abolished. You cannot abolish them by law, of course. You could abolish them by practice. So you would reduce the size of the board of trustees and then expect more consideration, more consultation, more advice, from the men who had accepted this great responsibility.

Mr. WORMSER. Was that not your idea, Mr. Hays, that they should be working directly?

Mr. HAYS. Oh, sure. Exactly.

Mr. KOCH. Here is something that worries me. Suppose I had a great big motor company or a steel mill or this and that, and they picked me because they wanted, as you say, window dressing. The first thing that puzzles me is why they need window dressing in a foundation of this kind. If you are running a foundation where you go to the people every year, like the Red Cross or the March of Dimes, for money, then you want to impress the populace that there are big names behind it. But here, where Mr. Ford or Mr. Carnegie or Mr. Rockefeller plumps millions of dollars in the laps of the foundation, and they do not have to go to the public for 1 cent more, I always wonder: why do they need big names in that case? And would it not be better, instead of picking me, the head of a big steel mill, pick somebody who was a little more familiar with the educational field? Because I can see exactly what I would do if I were that fortunate head of a big steel mill. As soon as somebody said, "Let us do something about education, or study this," if I were honest, I would immediately say, "I do not know anything about it, so what do the professors say?" And the professors would immediately tell me what they thought the trend of the times was, and I would say, "I will be safe if I follow the trend of the times."

And it seems to me the dismal part of the testimony so far is that there has been so much unanimity among the big foundations in following the supposed trend of the times. I would rather see one day Rockefeller in this corner slugging it out with Ford Foundation in this corner to try to argue a particular thing. Here we get into a depression, and we find out Professor Beard and Professor Muzzey have said things they later veered away from, and yet all of the foundations at that time may have put their money in the direction of that project, pushing the pendulum along much farther than it probably should have been pushed. And yet there was no foundation that said, "Well, change may be necessary, but let us find out what is good about the old order so that, when we decide on the change, we have at least heard both sides."

It seems to me there has not been that debate. And it may have been because the big names probably said, "We don't really know much about it ourselves. We will have to see what is the fad, what the ladies are wearing in Paris today, or what the trend is in education." I therefore wonder whether it would not be better to suggest that where they do not need big names they get lesser names who can spend more time and are a little bit more familiar with the subject matter. That, unfortunately, was an awfully long speech, but that has been worrying me.

Dr. COLEGROVE. I think you have given an accurate picture of the actual situation. The large number of famous names on the list of trustees is due to the old superstition that our institutions must be

headed by a famous group of men. And I will say frankly it is to impress Congress as well as the American people; to impress public opinion as fully as possible. It is an old superstition. It is not necessary at all. With a group of 7 trustees, using 7 because it is an odd number, I imagine most of these trustees if they were trustees of only one other organization, maybe trustees of a church, would be able to give more attention to their duties as trustees of foundations. They could not pass on the responsibility.

Mr. KOCH. Another element is this. Let us say during the depression 70 percent of the people were in favor of a change; 30 percent wanted to try out the old system a little while longer. All of them paid additional taxes, because many tax-exempt foundations did not have to pay taxes. I should think the 30 percent in the minority would at least like to feel that at least 30 percent of the tax-exempt money should be used to sell my kind of Americanism or my kind of economic system. And yet if the foundations all followed the trend, the minority group does not have the benefit of that terrific money. Because—I won't say the propaganda—but the education that they can sell is something terrific. And yet the minority just does not have the benefit of any of that money, even though they share the tax bill along with the majority.

Mr. HAYS. But you are arguing like the people who do not believe in smallpox vaccine. Then we should just go along trying to get over smallpox without it for a while longer.

Mr. KOCH. No, I say if people pay money they ought to be able to decide how they spend their money. In your case, nobody pays for smallpox vaccine except those who get it. But in this case we have all paid, because the foundations get tax exemption, those who are entitled to it. And yet I do not get my share of the educational experimenting, because it so happens unfortunately that 55 percent of the people seem to think that something else should be gone into.

Mr. HAYS. But then you are arguing that you should keep on experimenting with something that it has been proved will not work, and I think that is just a waste of time.

Mr. KOCH. No, I do not argue that at all. I like to feel that both sides are fully debated, so that when we decide on legislation we at least know it has not gone in on default. Because these very leaders of the early thirties, many of the big leaders themselves, who started pushing away, have swung back a little. Now, if they had not been given such a big push by the foundations at the beginning, maybe they would not have gone so far as to require their coming back again. I mean, it is just a matter of proportion that puzzles me a little bit, whether at least some of the foundations should not see to it that both sides are properly presented, so that we can more intelligently discard the old system. And that is just one thing that puzzles me a little bit about their method.

Mr. HAYS. Perhaps some of their difficulty might come from the fact that it is difficult to get someone to defend the point of view that has become generally discredited.

Mr. KOCH. That may be true.

Mr. HAYS. You have had a little difficulty right here in this committee. It is a little hard to get people to come in and testify in favor of the case the staff set forth in their initial report. Because apparently, with all due respect to Dr. Colegrove, and I am glad to have

his testimony, which has been very interesting, apparently a majority of the opinion in the field is on the other side.

Mr. KOCH. But you are happy that Professor Colegrove has presented his case.

Mr. HAYS. Surely.

Mr. KOCH. And in a number of cases the minority view has not even been presented.

Mr. HAYS. But the thing that I question, Mr. Koch, and I think you and I both know what we are talking about, is the unusual way we went at it. I only know of one previous instance where you ever set forth a verdict and then had the trial, and that was in Alice in Wonderland, or Through the Looking Glass. It was done that way there.

Mr. KOCH. From my point of view, and I am sure the general counsel agrees, we felt it was obligatory to tell what were the criticisms. I will tell you quite frankly when I was appointed associate counsel, the first thing I said was, "What is wrong with foundations?" And then when we started to ask questions we found certain things professors and others criticized. We felt those things should be put before the foundations so that they could come in and state whether or not there was validity to those objections. We did not intend, surely, to render a verdict, but just to say "This has been said about or against foundation practices. Let us see whether there is any merit to it."

Mr. HAYS. Doctor, I seem to have been impressed mainly in my undergraduate days with the theory of the pendulum. And then you mentioned the second one.

Dr. COLEGROVE. The cycle theory.

Mr. HAYS. We seem to be working on the cycle theory, because we start out doing a pathological job here. I like that term. I am glad we got that in here.

Mr. KOCH. But you said we improved after the lunch hour.

Mr. HAYS. Then we criticize the pathological approach in the foundations, but by your own admission that is exactly what we started out to do here.

Dr. COLEGROVE. I think on this one aspect we are looking at it from the pendulum theory. If the foundations have gone too far in dissipating their authority, you might try to swing the pendulum back by trying to get the foundations to insist on more responsibility on the part of their trustees. And I mean a responsibility such as Nicholas Murray Butler used in the beginning of the Carnegie Endowment for International Peace, when President Root and later President Butler would talk over with the trustees, the few that they could get, a very detailed discussion of what Professor Shotwell was doing, let us say, and bring Professor Shotwell in and let him explain. You can do that with 2 or 3 trustees, just as you could with 20. They are all there in the room. You would get a higher sense of responsibility if there were, let us say, just seven trustees. Those men would have to understand, "Well, here I have a responsibility. I will be at the annual meeting, and I will be at each quarterly meeting." The projects could be reviewed, the propositions taken up, by the trustees themselves. It would be very curious to have minutes of some of the foundation trustees' meetings these days—I have not seen them recently—to see how little there is of that actual discussion or disagree-

ment over the content of projects and the selection of personnel for the projects and the selection of the projects themselves.

Mr. HAYS. Professor, right there, that sounds very good, and I think perhaps you have a very good idea. But then we come to the difficult part of the application.

With a foundation as large as some of these are, and dispensing as much money as they have and making as many grants as they do, it is something like breaking up the New York Yankees. That seems to be the only alternative. Or, "Let us do away with big corporations." Because, obviously, the president of the United States Steel Co. cannot know everything that is going on, and neither can his board of trustees.

So I am inclined to go along a hundred percent with your general idea, but the practical aspect of it is what I find difficult, how you are going to do it. If you can give us any light on that, I would be very receptive to hearing about it.

Dr. COLEGROVE. Well, it gets back to what you were mentioning this morning, Mr. Hays, with regard to human nature. We cannot get rid of human nature, and these human problems all come up when you want to push the pendulum back.

Let us say the Rockefeller Corp. reduced its trustees to 5 or 7. Would you be able to find 5 or 7 great outstanding men in New York or around the country who would be willing to accept that responsibility?

Mr. HAYS. That is a question, of course, that is an imponderable, and I don't know whether anyone can answer it. We have had conflicting testimony. There have been 11 days up to date, and I cannot remember exactly who said what, or what page it is on, but there was testimony in here to the effect that these foundations had too many nonentities in them. Now we hear that they have too many names that do not give enough time. So it is almost a case of being damned whatever they do, as I see it. And I do not know how they are going to escape one criticism or the other. Both of them have a certain validity, don't you think?

Dr. COLEGROVE. I think most of the trustees of the foundations are excellent men, with great reputations, who have made contributions to industry, to science, to literature, and so on.

But you have there the practical question that they have dodged their responsibility.

I must say whether you can get 5 or 7 men who would be willing to take all that responsibility themselves is something we could not answer until it is tried. I would like to see it tried as an experiment.

The CHAIRMAN. Do you have some more questions, Mr. Wormser?

Mr. WORMSER. Yes, I do.

Professor, to your knowledge, have these foundations or their operating agencies to any extent engaged in direct political activity themselves?

Dr. COLEGROVE. I think, generally speaking, the foundations have not engaged in any direct political activities. The operating societies have, and, of course, some of the learned societies have engaged in political activities.

I want to talk about only the things I know of myself. I will take one example, with the American Council of Learned Societies. Last summer, when the position as Librarian of Congress became vacant,

there were a few of us who felt that Prof. Reed West, of George Washington University, was an excellent recommendation for this vacant position. And we persuaded Senator Taft to look into the possibility of sponsoring Prof. Reed West. I must say that I was acting only as a citizen. I have no connection with the American Political Science Association at the present time, other than being a member. I am not an officer of it. Quite a number of persons supported West and arranged a dossier on Professor West for Senator Taft. Taft became persuaded that West was just the man for the position of Librarian of Congress.

I understand that Senator Taft made up his mind on this while he was in the hospital, the last time he went to the hospital. The last telephone call he made, from the hospital to the White House, was asking the President to support Professor West.

My understanding is that the President said that if it was all right with the Hill he would, or someone said it for the President. And Senator Knowland, Senator Styles Bridges, and, I believe, the Speaker, Speaker Martin, all agreed to recommend West. Shortly after that, Senator Taft died. It was the last political act he took.

We found, however, those of us who were supporting Professor West, that some of the operating societies had moved in, like the American Council of Learned Societies, also the American Library Association, and the Social Science Research Council, trying to persuade Governor Adams and the White House that they should be allowed to name a group of persons from whom the White House would select the recommendation for the nomination of Librarian of Congress. It was a quite interesting little battle, and the few political scientists who engaged, trying to get West into the post, were defeated, and the man supported by the American Council of Learned Societies and the American Library Association and the Social Science Research Council finally got the appointment.

Now, as a member of a professional society, I felt it was not quite in keeping for the American Council of Learned Societies to engage in this political activity.

Mr. HAYS. Well, did they do it as a body, or did they do it as individuals, as you were doing promoting the other fellow?

Dr. COLEGROVE. Well, it was a little more subtle than that. It was the officers that did it, the paid officers located here in Washington, D. C. The American Council of Learned Societies is composed of 23 or 24 societies. The American Political Science Association is one. At the last meeting of the American Council of Learned Societies, which was in February—I am a delegate to the American Council of Learned Societies—I protested what had been done, but I didn't get very far with the protest, because it had already been accomplished.

Mr. HAYS. Doctor, if you had been an officer, as you were at one time, of the American Political Science Association, would you have felt it incumbent upon you to refrain from pushing the candidacy of Mr. West because you were an officer of that society?

Dr. COLEGROVE. I think in that particular case, yes, because the Librarian of Congress is in a rather strategic and important position. When I advised governmental agencies, it was with reference to experts for particular tasks to be performed. Now, the Library of Congress includes the Legislative Reference Service, which does a great many things for Congress.

Mr. HAYS. None of which many Congressmen feel they do very well. Let me put that in the record.

Dr. COLEGROVE. Well, there are all sorts of opinions about it.

Mr. HAYS. That is mine. In fact, not to interrupt you, it might be said that the Appropriations Committee felt the same way, because they cut their appropriations the other day, and one of the members said at lunch the other day that you were never able to get anything from the Legislative Reference Service if you called them except the book, which you could have gone over and gotten, and then you would have to look up the passages anyway.

Dr. COLEGROVE. I think it would be much better if the Legislative Reference Service was a separate organization from the Library, completely under the control of Congress, and more actively under the control of Congress. To attach it to the Library of Congress is combining two functions, which more or less get in the way of each other.

Mr. HAYS. I can sympathize with your point of view on losing this appointment, but let me just say that rather than the American Council of Learned Societies or anyone taking advantage of you, I think fate played a dirty trick on you.

Dr. COLEGROVE. Oh, yes.

Mr. HAYS. Because with all due respect to Senator Taft, and I hold him in the utmost respect, and I collaborated with him, strange as it may seem, on many legislative proposals here, there is nothing that loses in influence any quicker than a politician who either dies or is defeated for office. It ceases just as if it had been cut off right there.

I might point out to you, and this is interesting in passing, that I had a little matter pending in one of the departments that I was very much interested in, and sent it to Taft. Someone had gotten to him, and it affected somebody in the State of Ohio, not in my district. And they had sold him the idea that it should not go through. For 7 months it stayed dormant, and at 4 o'clock in the afternoon that he died, the Department called me up and said, "The thing is going through as you want it." So you see how quickly your influence goes. That is what happened to you. And I will say in praise of the Senator that had he lived your client would probably have been the Librarian today.

Dr. COLEGROVE. Undoubtedly. And those supporting Professor West said as vigorously as they could that this was the dying wish of Senator Taft. But, as you say, as soon as a man is dead——

Mr. HAYS. Those things all sound good in an eulogy, but they do not go much further.

Dr. COLEGROVE. I do think, however, that you are bound to get a little political influence on the part of an operating society which is located right in Washington, D. C. Now, where the American Council of Learned Societies, it seemed to me, was at fault, was in not getting the permission of the constituent societies before engaging in this political activity.

Mr. HAYS. I have a question right there, Professor.

Here is a book called English for Turks. I want you to look at it and see if you have ever seen anything like it. I am not going to cross-examine you on it. I just want you to look at it for a minute and look at the flyleaf, and then I want to ask you something about that kind of a procedure. I have a similar volume here, English for Indonesians.

Dr. COLEGROVE. I might say that this represents the new process of printing used by the American Council of Learned Societies, and they really have made quite a contribution in that direction.

Mr. HAYS. Yes. That book is put out under the auspices of the American Council of Learned Societies, as is this one, and we have another one over here on—I cannot read this language very well. This is Korean.

Well, I would not know it unless somebody told me.

Now, would you consider these to be political acts?

Dr. COLEGROVE. No. This is purely a literary project. I must say that you can have a political use made of these textbooks. Let me say that the American Council of Learned Societies has made a real contribution with reference to the Arabian studies. And as you know, our oil companies have sent a large number of American experts out to Arabia.

Now, these experts are agents for a private company. It is very obvious that if these experts can learn Arabic, they will do a more efficient piece of work out there. Vice versa, oil companies have a problem of getting the Turks and Arabians to speak English, trying to get the experts to speak both Arabic and English and getting the Arabs to speak English as well as their native language. This is not political at all. This is a pure expert linguistic undertaking. It may be motivated in the beginning, as to the money paid for it, by a political purpose.

Mr. HAYS. I understand the Government is paying for it, and that is why I am asking; because this society is working in close cooperation with the Government. It is just conceivable to me that someone could, off the cuff, say, "Well, they are engaging in politics. They are even putting out language books for the Government and sending them all over the world."

Dr. COLEGROVE. That statement would not be accurate. Because Americans going abroad are not so good in languages, you know, we need to learn foreign languages. And the American Council of Learned Societies has done a great deal of good there.

Mr. WORMSER. Could we get closer to the whole problem? Have you seen in the work of the foundations any evidence of actual political slanting?

Dr. COLEGROVE. From the foundations themselves?

Mr. WORMSER. Yes.

Dr. COLEGROVE. Decidedly. The Carnegie Corporation, in selecting Professor Myrdal, of Sweden, to do the work on The American Dilemma, was obviously slanting the problem of the South.

Mr. HAYS. Now, right there, I do not know much about this Myrdal. I know he wrote a book, and what was the title of it?

Dr. COLEGROVE. The American Dilemma.

Mr. HAYS. The American Dilemma. It just happened that at lunch hour I was reading a newspaper, the morning paper, and I saw in there some reference that the Supreme Court had cited this book in arriving at its decision.

Now, do you mean to tell me that the Supreme Court is citing subversive works here?

Dr. COLEGROVE. I did not say it was subversive.

Mr. HAYS. I want to get that straight.

Dr. COLEGROVE. I think it was slanted. Just as an illustration, Professor Myrdal, who was a left-wing Socialist, a very left-wing Socialist in Sweden, was very anticonservative, and he made unwarranted attacks upon the American legal system, as too conservative, and attacks upon the conservative groups in the United States. He practically indicated that a conservative is not an intellectual.

Mr. HAYS. Mr. Justice Burton of Ohio is no leftist, and he apparently went along with this decision, citing this book, and I am just wondering if it is the unanimous opinion that this book was bad, or if it is just an opinion that some people have, or if there is anybody besides the Supreme Court that will endorse the book. Let me ask it that way.

Dr. COLEGROVE. I don't think that the Supreme Court in citing this book endorsed it. They were using the book as evidence. And the book has a lot of evidence. Its evidence is perfectly all right. There is no question about it. I am criticizing the book on the ground that it was held up to be an objective scientific study. And it contains really "snide" remarks—I hate to use that remark—against the conservatives all over the United States, and especially the conservatives in the South, remarks that would make Senator Byrd just wince.

Mr. HAYS. I will take your word for it, Doctor. But that brings us to a thing that has happened in this committee, and I would like to get your opinion on it, just for the record. I think it might have some value, some weight.

Do you not think that on any book that there has been controversy about, you could probably take that book and pick a paragraph or a sentence out of context here or there to prove either side of the controversy that you wanted to?

Dr. COLEGROVE. Yes. You can do that even with The Federalist. But in this Myrdal book, it is the constant slurring of the conservatives, right along the line.

Mr. HAYS. Let me say I am not criticizing you, because you are saying the whole tenor of the book you disagree with and do not like.

But the point I am making is that we have had people who come in here before this committee and cite a paragraph in the book, and then you read back another paragraph out of the same book, and they immediately say, "I do not buy the whole book, but just this paragraph that I agree with." That could happen very easily, could it not?

Dr. COLEGROVE. Of course.

Mr. HAYS. I compliment you for taking that approach. You say you do not like the tenor of the whole book, and that certainly is your right and your privilege, and you have every right to your opinion on it. As I say, I am not in a position to argue with you on it, because I have not read the book.

Dr. COLEGROVE. The difference between this book and The Federalist, written by Hamilton, Jay, and Madison, was that The Federalist did not pretend to be unprejudiced. They said, "We are for ratifying this document as the Constitution of the United States." Hamilton and Jay and Madison did not pretend to have any unbiased or unpartisan approach.

Mr. HAYS. And as to this book, you say it was advertised as being unprejudiced, but in your opinion it was prejudiced?

Dr. COLEGROVE. Very prejudiced. It would be just as convincing to appoint Professor Hayek to go over to Sweden to, let us say, make an appraisal of the social-security system in Sweden.

Mr. HAYS. You will have to enlighten me. Who is he?

Dr. COLEGROVE. He is one of the strong defenders of laissez faire and an opponent of economic planning. His book called, The Road to Serfdom, is an argument that economic planning will inevitably lead to destruction of civil liberties, creation of a dictatorship, and loss of our freedoms.

Mr. HAYS. I am interested in a person whose mind works like that.

Now, as I understand it, laissez faire, taken literally, would mean to let the Government stay out and leave everything alone. What would you have done in 1933 with 12 million unemployed and people on the verge of starvation under a laissez faire system?

The CHAIRMAN. I do not myself put that construction upon laissez faire, so I do not think we can start out with assumptions that that is what laissez faire means.

Mr. HAYS. If you do not put that construction on it, you will have to have a qualified construction of what laissez faire means, because I happen to know what it means, and it is one you cannot shade. It means to let alone.

Dr. COLEGROVE. Dr. Hayek does not take the position regarding laissez faire that the British liberals took in 1840, 1850, or 1860, which was complete laissez faire.

Mr. HAYS. He takes the position, then, that we will have laissez faire, but we will have it in the modified form that Professor Hayek thinks is necessary.

Dr. COLEGROVE. That would be correct.

Mr. HAYS. Then, of course, you get back to the same old thing of who is going to decide about how much laissez faire or how much planning we are going to have. And then we get back into the same debate that we have been in for 20 or 30 years.

Dr. COLEGROVE. How far are you going on one side, or how far are you going on the other side; yes.

The CHAIRMAN. Do you have anything further on the question of foundations?

Mr. WORMSER. I would like to cover just 1 or 2 more questions.

Mr. HAYS. Mr. Chairman, I would like to interrupt right there and say if you are implying that I am questioning Dr. Colegrove on something that is not on foundations I picked this name out——

The CHAIRMAN. Oh, no. I did not.

Mr. HAYS. I was just trying to develop the idea and get a little light on who he is.

Dr. COLEGROVE. That is a very good point. I think it is well to keep in mind that there are really no "liberals" today of the old English school. They have moved with the trend of the times.

Mr. HAYS. And no foundations moved them. The times caught up with them and overran them; would you not say?

Dr. COLEGROVE. Of course, it is cause and effect again. Whatever the foundations have done, of course, has been to promote the trend this way or that way.

Mr. HAYS. The whole question of whether the foundations promoted the trend or the trend pushed the foundations is almost the old "which came first?" argument, "the chicken or the egg?" is it not? And I do not see how we can settle it.

Dr. COLEGROVE. The only way to settle it is to get back on the pendulum basis and see whether we have gone too far.

Mr. WORMSER. I would like a little briefing on what you mean by slanting. Reading from your notes here, you mention an undue emphasis on internationalism and globalism, a submersion of the national interest, Federal expansion at the expense of States rights, a passion to build a new social order, and a drive at all levels of education to make it a tool for social change.

Without going into too much detail, could you give me an answer to that?

Mr. HAYS. What page is that on?

Mr. WORMSER. Page 5, question 16.

Dr. COLEGROVE. In my opinion, a great many of the staffs of the foundations have gone way beyond Wendell Willkie with reference to internationalism and globalism. Of course, Wendell Willkie is part of this time, too. There is undoubtedly too much money put into studies which support globalism and internationalism. You might say that the other side has not been as fully developed as it should be.

Now, a great many of these other sides have been taken up, partly in speeches in Congress. The little book that Bob Taft wrote the last year he was alive with reference to American foreign policy was a very helpful book. It was based upon considerable research in Mr. Taft's office and was not supported by a foundation. But the foundations these days have been supporting too few books like one book which they supported some years ago by Charles A. Beard, called The National Interest. That came out in the early thirties, supported, I believe, by the Rockefeller Foundation. I am not too sure about that, but one of the foundations supported it. That started a good deal of thinking on the other side of the fence.

Mr. WORMSER. Is there not a tendency of Americans to sacrifice the national interest of our country in dealing with foreign affairs?

Dr. COLEGROVE. Professor Beard, even that early, felt that we had. But you can name just a few books or studies on that view which the foundations have supported.

Beard's thought was more or less this. I am talking about the Beard of the last half of his life rather than the first part of his life, when he was almost a Marxian. Beard thought that Churchill of Great Britain or Briand of France were always thinking: What is the best interest of Great Britain? What is the best interest of France?—in all of the international conferences. But there is too frequently a tendency of Americans not to think in international conferences on foreign policy about the national interest of the United States. We are thinking always of what is the interest of the whole world.

And that kind of thinking brings us to the point where we are too likely to make sacrifices to accomplish this globalism which England would not be willing to make under Churchill, or Attlee for that matter, which Laniel would not be willing to make, or Bidault, or whoever is Prime Minister of France. That is a very unfortunate tendency. And I think there is a tendency toward slanting. It seems to me the foundations should go out of their way at the present time to promote more studies like Beard's famous book called The National Interest.

Mr. WORMSER. Then there has, Professor, been this tendency to promote what you might call excessive federalism in derogation of

States' rights. Do you feel the foundations have promoted that concept?

Dr. COLEGROVE. Yes. Very distinctly. And under Professor Merriam particularly. Merriam felt that States were not more than Provinces or soon would not be much more than Provinces. I know that Professor Merriam used to annoy my neighbors up in Evanston. Evanston is a suburb of Chicago, but it has never been incorporated in Chicago. Merriam always had it in for Evanston, because it would never go into Chicago. We felt, in Evanston, we had better schools, we had better parks, we had better police, and we wanted to be an entity by ourselves. Merriam could never forgive us for that. He thought we ought to go into Chicago.

Well, that is probably a little off the subject, but the point I am trying to make is that the kind of research Professor Merriam selected, the kind of research he developed, was a research that looked toward the submersion of the States under the National Government.

Mr. HAYS. Now, Doctor, you do not object to going back to this international theory. You will agree with me that in the age we live in today you are going to have to have a certain amount of knowledge of international affairs. You will agree with me, I think—I heard you mention Paris a little bit ago—that after these deliberations end this afternoon, you and I could go up to New York this evening and get the plane and be in the Cafe de la Paix or Maxine's for lunch tomorrow.

Dr. COLEGROVE. That would be very pleasant.

Mr. HAYS. Yes. I would rather do that than sit here. I want you to know, if I seem to be a little nervous today, that the *America* left without me yesterday. I am staying here for enlightenment. I feel I am making a sacrifice. But all of that aside, we are only 12 hours away from Paris or London.

Did you say you wish I had not sacrificed?

Mr. GOODWIN. I am sure you would not have had as good a time.

Mr. HAYS. Well, that is debatable.

So the thing that you object to, as I follow you, is not that we have a great and consuming interest in the world around us, but that we, you feel, have not had along with that enough enlightened self-interest, as somebody put it. Is that it?

Dr. COLEGROVE. Yes. It is probably due to an attitude, which attitude I think has been partly created or simulated by the foundations, the attitude of accepting globalism, internationalism, without seeing where the United States fits into the picture other than paying the bills. Because, of course, European and Asiatic countries expect us to open the pocketbook and pay the bills for all of these projects, all of these compromises. If we have a compromise in Indochina, that is going to cost the United States a lot of money. We can be sure of that.

Mr. HAYS. Of course, as I cited here the other day, the French papers are carrying the story right now that the United States is willing to fight in Indochina to its last dollar as long as France will put up its last Frenchman. So there are two viewpoints on that, too.

Dr. COLGROVE. They expect us to send our boys over to fight in the rice paddies of Indochina. They have gone that far now. They used to just expect us to give money. Now we have to give, besides equip-

ment, the lives of our American boys to fight the hordes of Asia, which is a great mistake.

Mr. HAYS. Well, your friend, Dr. Rowe, who has the same general viewpoint as you do, said flatly here on Friday that we ought to do that very thing. He said 2 years ago we should have.

Dr. COLEGROVE. I think we ought to give Chiang Kai-shek and the chinese forces on Formosa help logistically, transport them to Indochina. We should transport some of the South Korean Army to Indochina and give them all the equipment, but not use American boys to fight in Asia.

Mr. HAYS. Of course, if you are going to give them all that equipment, you had better transport someone who will fight, should you not?

Dr. COLEGROVE. The Koreans showed they could fight, the South Koreans did.

Mr. HAYS. They did, too.

Mr. WORMSER. I would like to interrupt with one final question of Professor Colegrove. I think we have kept him an excessive period of time.

I gather it is your opinion that the overindulgence in the empirical method which you believe the foundations have been, let us say, guilty of, has resulted in something in the way of a decline in morality, that in the schools particularly, morality has taken a good beating, we have had substituted for it what I believe is called moral relativity, and that the foundations, if they fail, have failed perhaps primarily in the direction of not having provided us with more leadership.

Dr. COLEGROVE. We certainly need more leadership on the ethical and moral side. There is really no doubt about that in my mind. And I would like to see the foundations help the American people in that way. We need to create or develop in the United States more leadership, not only in science, not only in empirical science, but also on the moral and ethical side, rationalism, if you want to put it in that sense.

Now, with all the money that the foundations have spent, they have never developed an Abraham Lincoln. They have never developed an Immanuel Kant. They have never developed a Thomas Jefferson. They have never developed a James Madison. We need that kind of leadership at the present time. I suspect that that leadership is going to come from the small colleges, where a more sane attitude toward American traditions, American morality and ethics, is taken than in the large universities.

Mr. HAYS. Doctor, do you mean to say that Abraham Lincoln is underdeveloped? That maybe is an unfortunate term, but there are probably more biographies here than in the case of any other American. I am guessing, but would you not say that is probably true?

Dr. COLEGROVE. Oh, yes. He is the subject of a lot of good books.

Mr. HAYS. But you think the foundations ought to make some grants to write some more books? Or on Thomas Jefferson? I suspect Thomas Jefferson would run a close third. Perhaps George Washington would be second. And I am a great admirer of Jefferson. I have probably 20 or 30 volumes on him myself.

Mr. WORMSER. I do not think he meant that.

Mr. HAYS. I am trying to find out what he meant.

Mr. WORMSER. I think he meant that there should be a greater effort to produce men like that.

Mr. HAYS. That gets into a very philosophical discussion. I am interested, too. I would like to produce another Abraham Lincoln out in my district, so that when I get done with the job I can have a worthy successor.

Dr. COLEGROVE. Well, you can't say that is a task that foundations could accomplish. But they have not developed the climate that produced an Abraham Lincoln. And I am thinking now of both sides of the fence.

Abraham Lincoln is representative, you might say, of the deep heritage of the United States. And Jefferson represented the deep heritage of the United States.

Jefferson was a very cultured man, who went to Europe, read French books and British books, but he was always thinking, again, in reference to the national interest, or in reference to the history of the United States and whatever destiny the American people would have.

There is too little emphasis in our schools at the present time, in spite of all these books, to the contributions of Jefferson, Washington, and Lincoln to the history of the United States in relation to our present situation.

The question is: Are our public schools, our universities, furnishing the climate out of which can appear another Washington or another Jefferson?

I am afraid the climate is not very congenial for that.

Mr. HAYS. Of course, leaving Jefferson aside, no university furnished the climate for the other two. They made their own.

Dr. COLEGROVE. Yes. Maybe it is a task that the foundations can never achieve. Maybe they can accomplish very little in that. But I would like to see the foundations try.

Mr. HAYS. The original idea I had when I started this series of questions: You talk about the moral climate. Now, there is no argument but that we want to create as good a moral climate as we can. But I am wondering how the foundations are going about this. If they make a grant to some religious order, you can immediately see what a hullabaloo that would cause. You would have somebody influencing them not only as to politics but dragging religion in and trying to influence the religious attitude. And it seems to me that they might be treading upon very delicate ground in that situation. And again let me say with all deference to you that you have set forth a very worthy objective in very general terms, but when we come to specifically implementing that objective, I am at a loss as to how I would go about it. If I were a foundation trustee, I would not know. Would you?

Dr. COLEGROVE. If you were a foundation trustee, Mr. Hays, you would give your attention to it and try to have that problem studied.

Mr. HAYS. But on this specific problem, I would be a little bit afraid to give it to one group or another in the religious field. I would be afraid to make a donation or a grant to train ministers, shall I say, in the Presbyterian faith, without giving an equal grant to every other religious faith, for fear someone would accuse me of religious bias. And I just say from a practical standpoint we are dealing with something that if there is any solution to it, I would like to know about it.

Dr. COLEGROVE. I would like to see more studies on the question of what leadership is and the part that morality and ethics play in leadership. I think the codes of political ethics that are springing up over the United States are making some contribution in this way. I do not know any of the foundations that are making a study of these codes of political ethics.

Mr. HAYS. One foundation was going to set up a fund to study Congress, I understood, with the idea of suggesting some improvements. And immediately that was met with a barrage of criticism. Some people questioned: Who are these people that are going to question the integrity and the sacredness of Congress?

Personnally, it is to me a little bit like the old newspaper story of the man biting the dog. I mean, Congressmen are investigating anybody. I have no objection if somebody wants to investigate Congress. But it caused a lot of criticism.

Dr. COLEGROVE. I think probably most of these studies should begin at the grassroots.

The CHAIRMAN. My constituents have been investigating Congress for a long time.

Mr. HAYS. I, again, because of my great affection for the chairman, will not comment on that either.

The CHAIRMAN. Are there any other questions?

Mr. GOODWIN. No question. I want to make a statement a little later.

I want to make a brief statement, Mr. Chairman. After I have made it, I will ask unanimous consent that it be placed in the record of today's proceedings at the point in the morning session immediately after reference to the number of institutions of learning in the several States.

Mr. HAYS. May I ask unanimous consent that in deference to our colleague from Massachusetts we have deleted the remark that came along in there somewhere that the Harvard College was the second most left to Columbia. I think we ought to just take that out, so that there will not be any reflection on Massachusetts at all.

The CHAIRMAN. Thank you very much, Professor Colegrove, for your presentation today.

The committee is deeply appreciative of your generosity in coming down here and giving us the benefit of your experience.

It is now 3:35. I question whether we ought to proceed any further.

Mr. HAYS. I would like to agree with you, and I want to say that if we are going to take up this monumental piece of empirical research, I hope you can wait until morning.

The CHAIRMAN. The committee will adjourn, then, until 10 o'clock tomorrow morning in this same room.

(Whereupon, at 3:35 p. m., the hearing was adjourned until 10 a. m., Wednesday, June 9, 1954.)

TAX-EXEMPT FOUNDATIONS

WEDNESDAY, JUNE 9, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10 a. m., pursuant to recess, in room 304, House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece, Goodwin, Hays, and Pfost

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; John Marshall, chief clerk.

The CHAIRMAN. The committee will come to order.

Mr. Koch.

Mr. KOCH. Mr. McNiece would like to continue.

The CHAIRMAN. You may proceed. The oath is continuing during the course of the proceedings.

Mr. KOCH. That is right. May he continue reading his supplement before we ask him questions, or would you rather ask him questions with respect to his first installment?

Mr. HAYS. I have a few more questions I would like to ask. It seems we have left enough things hanging in midair.

Mr. KOCH. Very well.

TESTIMONY OF THOMAS M. McNIECE, ASSISTANT RESEARCH DIRECTOR, SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS—Resumed

Mr. HAYS. On your first report, Mr. McNiece, on page 9, you talk, near the bottom of the page, about centralized places, which seems to imply that somebody had a motive or desire to plot this thing. Do you have any specific evidence of that?

Mr. MCNIECE. I don't at the moment find the item.

Mr. HAYS. It is in the last paragraph down about the fifth line: "It does, however, seem to confirm"——

Mr. MCNIECE. I have it. The excerpts from the final report from the American Council of Learned Societies, plus the evidence which continues on through on the influence of the Social Science Research Council and the American Council of Learned Societies in preparing a directory, if I may call it that, of men qualified to advise Government in its various fields. I take that as evidence of the flow of what might be called a central or main stream of influence. I believe it is in this next and short section of my report that I mention, merely as

factual evidence, the number of people from the field of social science who are employed, at least in part, by Government today. That is, we have letters in which they advise us of the names of those people and the fields of work in which they are occupied.

Mr. HAYS. What do you read into that? The Government has need apparently for these people. Where would you more logically turn than to these societies who would have lists of people?

Mr. MCNIECE. I am not in any way questioning either the need or the source, except as it comes from a firm and compact group of what might be called, and has been referred to here, as the intellectual elite. They might be defined by another term as the mental aristocrats. I believe all of the testimony that has been given here, and without any attempt on the part of any of us to tie in the testimony of the various professors that have appeared here, seems to indicate the same thing, that there is, let me call it, a preferred group which is called upon for advice. It is a highly concentrated corps, I think I used the term in my previous appearance on the stand.

Mr. HAYS. If you were doing the calling, you would call upon the best brains you could get, would you not? You don't mean to put some term of opprobrium by calling them the intellectual elite?

Mr. MCNIECE. No, but neither would I know how to define best brains. I would call on people in my judgment that would be fitted for that. I am not doing the calling. The Government is doing that.

Mr. HAYS. I understand that, but if you were doing the calling, and you had to find somebody in a certain field, we will say social science or for that matter any exact scientific field, how would you go about finding them?

Mr. MCNIECE. The first thing I would do is to look into their background and training and find the particular types of views held or expounded before I would do anything else. I take it here that Government does not do that, but relies upon the recommendations of the very central group to which I have referred previously. That was the very purpose of the $65,000 grant in total made by the Rockefeller Foundation. That apparently is accepted as final by the Government. I have to assume that. I do not know it. But that was the purpose of organizing the list.

Mr. HAYS. What was the purpose again in organizing the list?

Mr. MCNIECE. As I have stated previously, the purpose was to supply a list of individuals qualified in the judgment, and I don't say this in a disparaging way, of the intellectual group from which this list emanated.

Mr. HAYS. Maybe I am being a little thick at this point, as the Irish put it, but I don't see anything wrong with the Learned Society or the Historical Association or the Society of American Chemists, or anybody else furnishing a list of qualified people.

The CHAIRMAN. Would you permit an interjection there?

Mr. HAYS. Yes.

The CHAIRMAN. We have in the United States the colleges and universities which, while large in number, are very accessible to be advised about the requirements of Government. While there is nothing wrong in asking one of the societies to furnish a list of names, as I see it, do we not know from practical experience that when a council such as the Council of Learned Societies is put in the position of furnishing a list of scholars to advise the Government, that list will be pretty

much the recommendation of the man who happens to be administrative officer of the council that makes up and supplies the list. Insofar as that is the case, that puts in the hands of one man a tremendous influence. If he happens to be a man that has certain inclinations, he is in a position to give very wide effect in those inclinations, if he is put in a position where he furnishes the list of the experts the Government calls into the service as advisers. That is the angle that I see that becomes, to my mind, Mr. Hays, very important.

It is the concentration not only in one organization, but ultimately largely in the hands of one man.

Mr. HAYS. Of course, theoretically that could happen, but if you want to carry that theoretical idea out to its ultimate conclusion, it could happen in the university in the case of whoever is the executive officer there. Or if you want an even greater illustration of one man picking and choosing, how about the President? He has the power to appoint literally thousands of people. Theoretically he does it himself. But actually in practice, it is the culmination of a lot of recommendations.

I would guess, without knowing and having any evidence offered to the contrary, that in these various organizations they operate the same way.

Do you have any evidence, Mr. McNiece, that one individual in the American Council of Learned Societies is in control of this whole thing, or is it the thought of a group of men or officers?

Mr. MCNIECE. It is both. By the time I have finished with my testimony, I think the answer to your question should be a little more obvious, because we can take the end results and draw certain conclusions from them.

I have said in the sentence immediately prior to the one you quoted:

In itself there should be no criticism of this objective.

In other words, I start out with that premise. It is the end results that cause us to raise some questions. We have not touched the end results as yet as they affect this side of the triangle.

Mr. HAYS. You are going to bring in some conclusive facts later on of something bad in the end result? If you are, I will defer any questioning along that line.

Mr. MCNIECE. All right. I had not expected to do it at this moment. As a matter of fact, I was not sure I would do it at all. But here is a quotation which I might insert. It does not appear in any of my studies.

When we see a lot of framed timbers, different proportions of which we know have been gotten out at different times and places and by different workmen, and when we see those timbers joined together and see that they exactly make the frame of a house or a mill, all the tennons and mortises exactly fitting, and all the length and proportions of the different pieces exactly adapted to their respective places, and not a piece too many or too few, in such a case we find it impossible not to believe that all understood one another from the beginning and all worked upon a common plan or draft drawn up before the first blow was struck.

That is from Abraham Lincoln in a talk made in 1858. It has been certified to us by the Legislative Reference Division of the Congressional Library which can give you further details on it if you are interested.

Mr. HAYS. I assume you are saying now that you are comparing this to the framework of a building, and saying all these people who

are furnished the Government by these different societies, their thinking dovetails and fits together perfectly.

Mr. McNiece. I hope to show you in the small manuscript portion of this talk what we consider to be the predominating influence to cover the listing of suggestions made which we have taken solely out of governmental publications.

Mr. Hays. Mr. McNiece, don't you think the way to find that out, instead of relying—and I am sure you are sincere—or something you say is to call in some of these people and examine them and find out if their thinking dovetails?

We have a rather striking example here. You have had four professors that you people have found in your months of research that you thought would pretty well, I suppose, exemplify what you wanted to bring out. I am finding no fault with that. But even those four—I would assume they were pretty carefully selected—have testified at variance on various things. Their thinking did not dovetail.

The Chairman. You did not intend to say, if I may interject, that all the thinking dovetails. What you meant to say, I would assume, is a preponderance.

Mr. McNiece. That is right.

The Chairman. If I may follow through on the observation I made, about the concentration in one place of this power or authority or however it might be described, to make recommendations for advisers to the Government, on a very broad basis, I referred to the fact that if it happened that the administrative officer of the society that made the recommendation happened to be a man of certain inclinations, it might become dangerous. If, for instance, that man happened to be one of a Fascist inclination, his disposition, of course, would be to recommend people that represented his line of thinking, with the result that we would get in the Government, unless they were very carefully screened by the appointing authority, a preponderance of people that had a Fascist type of thinking.

This administrative officer of one of these societies is a man that has no public responsibility, not like the President or a Cabinet officer, whom we know and who do have public responsibility. Nor, like the president of a college, who is identified in the public mind, and to a very large degree is held responsible not only by the board of trustees, but particularly by the alumnae of the institution, as well as a very wide segment of the public. That is quite different from some man that is ensconced in the office of a learned society that is in a building downtown here. At least I see a very wide difference. Insofar as there is a disposition to concentrate into one or a few places—it probably should not be described as authority to recommend—the privilege of recommending people for Government consultants, I would have quite a serious question in my mind about it.

Mr. Hays. Let me read to you a quotation I have found here and see if you agree that it is along the line of some that you have read. I will read it and then I will hand it to you if you want to look at it.

But all agree that there can be no question whatever that some remedy must be found, and quickly found, for the misery and wretchedness which press so heavily at the moment on a very large majority of the poor.

This was written some years ago, and not as of the present.

The ancient workmen's guilds were destroyed in the last century and no other organization took their place. Public institutions and the laws have repudiated the ancient religion. Hence by degrees it has come to pass that workingmen have been given over, isolated and defenseless, to the callousness of employers and

the greed of unrestrained competition. And to this must be added the custom of working by contract and the concentration of so many branches of trade in the hands of a few individuals so that a small number of the very rich have been able to lay upon the masses of the poor a yoke little better than slavery itself.

What would you say about that? Do you want to look at it?

Mr. McNiece. I would like to see it.

The Chairman. All I can say is, while he is looking that over—and that goes back to describing an individual—there is no Member of Congress, nobody in this room, and but few people in Washington who come from a family where they had greater difficulty rearing their children than I did. What I want to preserve in this country is the same economic circumstances that enabled my father who started out with $100, a horse, and a sidesaddle, to rear a family of 13 children, all of them graduated from high school, most of them graduated from college, none of them probably very successful in material goods, but all able to take their positions in society.

I am not quite sure what the economic forces and factors are that enabled my father to do that, but whatever they are, insofar as I am able to find them, I want to preserve them.

That is more or less my economic philosophy, and is pretty much my guide. Whether I am a middle-of-the-roader, a liberal, a free-wheeler, or a conservative, I think I have exactly the same thinking that I had when my mother gave me the last $2 she had when I started off to college, where I was able to make my own way. I do not think my economic philosophy has changed any at all over all these years.

Mr. Hays. Mr. Chairman, I think we can all endorse that as a very worthy objective, and I think perhaps some of us would even like to expand so that even more people will be able to do that.

The Chairman. I think that we have had a system where if a great urge existed people had been able to do that to a degree that does not prevail in any country on earth. That is why our people have been carried farther and faster up the road of progress, and attained the standard of living that has never been attained by any people anywhere at any time.

Mr. Hays. If we are going to debate this a little bit and leave my quotation alone, I might say to you that I think perhaps statistics will show, if it not too empirical, that there are a bigger percentage of boys and girls in America going to college today than ever before. So perhaps the very thing that some of these witnesses have been condemning is the thing that is bringing about the conditions that both you and I seem to want, Mr. Chairman.

Now, can we go back to my little quotation.

Mr. McNiece. I should be very glad to go back to this. My own appraisal is that it is a purely emotional product without one word or substance of proof. It might have been written—it is not dated—100 or 125 years ago. I have no means of knowing that. But there is a great deal of false emotional propaganda, if I may use the term, put out from many quarters on such things as this. The National Bureau of Economic Research in collaboration, I believe, with the Department of the Census, every once in a while turns out an estimate—I say every once in a while, because it is not annual—of the total wealth of this country. That is wealth of all forms—stocks, bonds, farms, buildings, everything. If we divide the estimate of that total wealth by the population of the country, we find that if the

communistic or socialistic idea were fully realized with respect to the disposition of capitalistic assets, that the individual share in that would be somethng over $3,000. The family's share of the total wealth of the country will be something less than a Congressman's salary for 1 year. That is not going to take anybody very far if the collectivistic ideals are attained.

Mr. HAYS. Would you say that would be tending toward that ultimate objective, that little statement there, would it help to push it along?

Mr. MCNIECE. This statement [indicating]?

Mr. HAYS. Yes.

Mr. MCNIECE. I would certainly assume that is what they are driving at when they talk about the concentration of wealth, concentration of many branches of trade in the hands of a few individuals. That is scarcely in accord with our Government's own record on the census of distribution and census of manufacturers.

Mr. HAYS. Let me read your another one.

The CHAIRMAN. Has that quotation been identified yet?

Mr. HAYS. I will identify it in a minute.

Every effort must therefore be made that fathers of families receive a wage sufficient to meet adequate ordinary domestic needs.

I would assume that the writer means the Government or somebody to do that. I will let you look at this.

If in the present state of society this is not always feasible, social justice demands that reforms be introduced without delay which will guarantee every adult workingman just such a wage. In this connection we might utter a word of praise for various systems devised and attempted in practice by which an increased wage is paid in view of increased family burdens and a special provision made for special needs.

Would you call that socialistic?

The CHAIRMAN. That sounds like the President.

Mr. HAYS. It is not. I would not want to quote any of President Hoover's remarks without identifying them.

The CHAIRMAN. With one change I would see no serious objection to that.

Mr. HAYS. Let Mr. McNiece say what he thinks.

The CHAIRMAN. If you put the word "opportunity" in front of one of those adjectives.

Mr. MCNIECE. From my examination over a period of quite a number of years, I would say the workmen of the country are being paid for the most part, particularly if it is in accordance with their productive ability, in amounts perfectly ample to support their families. The statistics indicate that. There have been many false statements made, according to what I have read in the papers, by certain leaders in the field of labor. The reason I say false statements is because they have claimed that wages have not kept pace with the cost of living. Wages have kept pace with the cost of living and more than that.

Years ago, in a conference at Williamstown, information was brought out and testimony was introduced that after every depression, within the period of statistics that were ample to support the conclusion, workmen emerged with a net gain in real wages. I do not believe there is any doubt of that. That was brought out at that time. I was not present, but I read the proceedings. There was no dissent taken from the findings of the study of the man who presented it.

We need to have a little more information of what is going on, and factual information, and pay less attention to claims of leaders and others who get a great deal of publicity, claims that are not supported by the facts.

Mr. HAYS. I have just one more, and these are all from the same volume. I would like to comment specifically on this one:

For the effect of civil change and revolution has been to divide society into two widely different castes. On the one side there is the party which holds the power because it holds the wealth, which has in its grasp all labor and all trade, which manipulates for its own benefit and purposes all the sources of supply and which is powerfully represented in the councils of the state itself. On the other side there is the needy and powerless multitude, sore and suffering, always ready for disturbance. If working people can be encouraged to look forward to obtaining a share in the land, the result will be that the gulf between vast wealth and deep poverty will be bridged over, and the two orders will be brought nearer together.

Mr. MCNIECE. Commenting for a moment, before making a reading of this, the share of the land reference reminds me very much of one of the paragraphs quoted from the findings of the Committee on Social Studies, as supported by the Carnegie Foundation and the American Historical Association.

Mr. HAYS. I gather you disapprove of that, is that right?

Mr. MCNIECE. Because I disapprove of communistic and collectivistic tendencies. All of these—I do not know your source—are closely comparable to Communist literature that I have read. The objectives cited parallel very closely communistic ideals or socialistic ideals. If working people can be encouraged to look forward to obtaining a share in the land—in the smaller areas—I should say rather—in the areas of less concentrated population, I know from first-hand information that it is the desire and the attained objective of many workingmen to own their own properties.

I distinctly remember reading in the papers—that is my only authority for it—that at one time some of the labor union leaders were advising their workmen not to become property owners, because that tended to stabilize them and make them more dependent on local conditions. I don't know how you would reconcile the divergent points of view.

Mr. HAYS. If you are through with those, I would like to have them back so I can identify them.

The first and last were from the encyclical of Pope Leo XIII on labor. The middle was from the encyclical of Pope Pius XI.

You have given a very practical demonstration, Mr. McNiece, of the danger of lifting a sentence or paragraph out of context, because you have clearly labeled these as being in conformity with the communistic literature that you have read.

Mr. MCNIECE. Yes, and I repeat that. I am not familiar with literature of the source you described, but I have been told that other encyclicals have completely endorsed and defended, to use the phrase which you have used a number of times, laissez faire.

Mr. HAYS. If you read the whole thing, they condemn very pronouncedly socialism and communism. But the Popes both condemned some of the conditions that were existing at that time. I don't think you will disagree with me, and I am not a Catholic—I may say that—that the Catholic Church has been one of the bulwarks against communism in the world, and one of the organizations which has fought against it as any organization I know of. So you would not want to call the church communistic, would you?

Mr. McNIECE. I am not calling the church communistic. I am not taking any part in a discussion of religion and the attributes of the various groups.

Mr. HAYS. Do you admit now that there is a danger in doing just what has been done before this committee over and over again, that the kind of evidence that has been offered, of lifting a paragraph out and saying this proves a point does not necessarily prove anything?

Mr. McNIECE. I tried to make my position very clear in my initial statement on that particular point. I said the excerpts had been chosen very carefully in an effort not to misrepresent context. I suggested that all references were fully given and if anyone wished to question the validity of the reference with respect to the points made, he could consult the original source.

Mr. HAYS. The only original source that I have had a chance to consult and read almost in its entirety was the one which Mr. Sargent quickly repudiated when I began to read some paragraphs he did not like. One book he quoted.

Mr. McNIECE. Which book is that?

Mr. HAYS. Only Yesterday, in which he picked a paragraph out and said this proved a point he wanted to make. He later said he didn't buy the whole book. I think you were perhaps here at the time.

Mr. McNIECE. I happened to be personally acquainted and a neighbor of Frederick Lewis Allen, the author of that book, and I had a number of discussions with him. It is not pertinent to this discussion or this hearing or I would tell you some amusing features and things that happened to him, from a first-hand discussion with him. That was one of the first books he had written. He told me that he had learned something and that was that he would have to be pretty careful on any future books he wrote, because he made quite a number of errors.

Mr. HAYS. I would probably agree from scanning the book myself that there is considerable error. Again that proves the point I am trying to make, that you can't lift a paragraph out of context and say this proves anything.

Mr. McNIECE. In connection with that particular paragraph, though, I happen to be able to offer again first-hand testimony, because I was stationed in Cleveland at that particular time, and I personally on orders attended a number of meetings of the type at which conclusions which he mentioned were reached. I can tell you from first-hand knowledge that the common discussion of those meetings of that time was on the culmination of "the day." At that time, and the time of which Frederick Lewis Allen wrote, it was the common hope in those circles that very soon the day of revolution, similar to what had very recently occurred in Russia, would appear.

Mr. HAYS. Were you sitting in on these plots?

Mr. McNIECE. Absolutely.

Mr. HAYS. Were you in favor of revolution at that time?

Mr. McNIECE. Definitely not. I was there under orders emanating from the Federal Building in Cleveland. One of the men even discussed with me the fact that certain leaders in the city of Toledo had been marked to go down when the day came.

On the May Day parades, for which they had permission, that group used to carry their little red banners on bamboo sticks as flag staffs. One particular year they appeared with their little red banners on indoor baseball bats, which was rather suggestive.

Mr. HAYS. That time came and went without any revolution, didn't it, Mr. McNiece?

Mr. MCNIECE. Of that type.

Mr. HAYS. But you do think that there was an undesirable social revolution of some kind or another?

Mr. MCNIECE. In process.

Mr. HAYS. Still going on?

Mr. MCNIECE. Yes.

Mr. HAYS. That leads me to a very interesting thing that we started to pursue the other day. In fact, we touched on it a few times. In the event of a serious depression in this country, and we all hope we don't have one, but we have had them in the past, would you recommend that the Government adopt a laissez-faire attitude and take hands off and let the thing run its course?

Mr. MCNIECE. No. I have covered that point in the last section of my testimony, that is the economic and the Government interest.

Mr. HAYS. What would you suggest that the Government do?

The CHAIRMAN. May I interject that it is going so far afield. We are not outlining a pattern of conduct during the——

Mr. HAYS. No, but we are criticizing the conduct of the Government, and I would like to have some alternatives.

The CHAIRMAN. I do not understand we are criticizing the Government.

Mr. HAYS. Have you read this empirical document here?

The CHAIRMAN. There is no such intention. I don't think it makes much difference to the Government what this committee or Mr. McNiece thinks of what should be done in the case of a depression in the future.

Mr. HAYS. In the third paragraph—if you don't mind jumping ahead—he said:

> Among these is the increasing participation of the Federal Government * * * in subsidization of agriculture, scientific research, wage control, mortgage insurance and other activities. Most, if not all, of these were politically conceived and depression born. They represent new ventures in our Government activities.

As I read on, it is critical that the Government goes into that. Did you mean to be critical?

Mr. MCNIECE. Prior to that in this section which I have not read, you will find the origin for the adoption of the suggestions by the Government in those activities, and that is why they are mentioned in this way from the section of the report you quoted.

Mr. HAYS. You are saying that somebody sort of talked the Government into this, and it would have been better if they had not done it. Isn't that what you mean to imply?

Mr. MCNIECE. Yes. I told you in the beginning, and it is recorded in the early part of this investigative work, which is purely factual—we emphasized the fact that we are drawing no conclusions—the section of the report from which you are now quoting is getting into the conclusions which we are arriving at as a result of the evidence, all of which we have not yet presented.

The CHAIRMAN. Since we have gotten into this second report, I have just talked to Mr. Hays, we might as well proceed with the second phase of your report.

Mr. MCNIECE. I would like to make a short preliminary statement before getting into the reading from this document. This statement is as follows:

Before beginning a discussion of the relationships between foundations and government, it should be understood by all that we realize that we are entering the sensitive area of political controversy. One reason for mentioning this at this time is that we wish it to be understood that we are limiting our analysis of the conditions as we shall describe them, first to documented statements from the sources quoted and second, in the economics section of the report to statistical information available in the Government's own publications.

The economic facts seem to substantiate the conclusion that many of the proposals advanced by the planners and deemed experimental by some and questionable by others have been put into practice and are a part of our everyday lives as we are now living them. Congressional appropriations and governmental expenditures indicate this. While these facts seem to speak for themselves, there are certain interpretations which we shall make especially with reference to future conditions if we choose to continue these collectivistic ventures.

In these conclusions we are taking no partisan political position, nor do we wish to encourage or support any other attitude than this.

Our interest in these problems as they affect the state of the Nation and its future far exceeds our interest in any form of political prefferment.

Now, this section of the manuscript report is headed, "Relationships Between Foundations and Government." It is particularly concerned with the national and social planning.

Before proceeding with the submission of evidence bearing upon the relationships between foundations and government, we wish to make some comments by way of background as they pertain to national and social planning by government.

Three things should be obvious to anyone reasonably familiar with the interlocking complexities of our production, distribution, service, and financial problems in our economy:

(1) The successful correlation of all these activities would require the complete control of all phases of our economic endeavors. Price control, for example, cannot be effectively maintained without rigorous control of material supply and costs, wages, transportation, and all other elements entering into final costs.

Mr. HAYS. Mr. Chairman, it seems to me that these reports are very long, and if Mr. McNiece is going to read all of them today, that is about all we are going to get done. I have read them. I have some questions I would like to ask about them. I would like to just have them put in the record as is, and then go on with the questioning. I think it would save a lot of time.

Mr. KOCH. He was just going to read the shorter one.

Mr. HAYS. Is he going to read the typewritten introduction of this?

Mr. KOCH. No.

Mr. MCNIECE. I had expected to take selective manuscript reading. It would be dull and deadly, and I would say completely impossible to convey to anyone the message involved in that great series of, I think, 20 statistical tables. I could not hope to do that by reading. I had not expected to do that.

Mr. KOCH. You intended to read only the mimeographed statement?

Mr. MCNIECE. Yes, and certain conclusions and introduction material from the Economic Report.

The CHAIRMAN. This is 19 pages.

Mr. McNIECE. That is all.

Mrs. PFOST. There is a lot of single spacing and tightly written pages.

The CHAIRMAN. The quotations are single spaced. Had you expected to read the quotations in full?

Mr. McNIECE. I had intended to read the quotations in full. It is immaterial to me.

The CHAIRMAN. Why don't you continue with the shorter form? The other material is to be inserted in the record.

Mr. McNIECE. That is right. There are certain things in these quotations that I think from my point of view are very important from the standpoint of Mr. Hays' questions.

The CHAIRMAN. Very well.

Mr. HAYS. I have about 8 or 10 questions to this document, and I was wondering if you have any objection in order to prevent the disorganized thing we have had in the past, and going some other day, you could read them and answer all of my questions before noon? Would you have any objection if I stopped you at the bottom of page 2 and asked a question right there while it is fresh in mind?

The CHAIRMAN. What he had in mind, as I understood a while ago, in the remainder of this brief form might be the basis for answers. I have not read these quotations. I would rather like to hear them, if I might, before the questioning. I think we would have time before noon to conclude this and have the questioning also before noon, which I would like to do.

Mr. McNIECE. Yes, we could.

The CHAIRMAN. For my own information, I would rather like to have it.

Mr. McNIECE. It is very vital, Mr. Reece, to the questions which Mr. Hays very properly asked. I would like at least to present those that bear upon this idea of, let us say, a concentrated corps of influence. It is involved here to a certain extent. It is involved in one of the very first questions Mr. Hays asked me this morning. So I think it would be better if we could at least go this far with it.

Mr. HAYS. Read this whole thing?

Mr. McNIECE. Yes, it is not going to take very long.

The CHAIRMAN. Very well.

Mr. McNIECE. Otherwise, shortages, surpluses, and bottlenecks would bob up continuously and everywhere.

(2) With the complexity due to the literally millions of points or junctures where difficulties may arise, no man or centralized group of men possess the knowledge or judgment that will equal the integrated judgment of thousands of experienced men applied at the points where and when troubles first develop.

At the time when increased complexity of national and international affairs seem to make more governmental planning and control necessary, the Government is actually becoming less and less able to exercise rational and competent control over the multiplicity of details essential to good planning. To be even superficially effective, it must be completely autocratic.

(3) Even though such centralized planning were physically possible, the net results would be a smaller and smaller percentage of goods and services produced that would be available for those who produce them. This would result from the increasing cost of the

governmental agencies and bureaus necessary to devise and maintain control. Of course this would have to be met by increasing taxation. That is the experience in Russia and it has been developing here for some years as will be shown in the staff's economic report.

From the beginning, the Socialist programs have called for national ownership and planning of productive facilities.

Such references are frequent and clear. Perhaps the following quotation from Engels, friend and contemporary of Marx, may illustrate the point.

The planless production of capitalist society capitulates before the planned production of the invading Socialist society.

To emphasize the reiteration of this concept by a responsible body of men in our own times and country, we may again refer to a paragraph from the report of the Commission on Social Studies. After 5 years of deliberation they say (American Historical Association, Committee on Social Studies, p. 16):

Under the molding influence of socialized processes of living, drives of technology and science, pressures of changing thought and policy, and disrupting impacts of economic disaster, there is a notable waning of the once widespread popular faith in economic individualism; and leaders in public affairs, supported by a growing mass of the population, are demanding the introduction into economy of ever wider measures of planning and control.

In what way has this expression of belief found its way into our governmental activities?

In 1933, the National Planning Board was formed. How did it look upon its task and what seem to be its final objectives? These may be indicated in part by the following extracts from its final report for 1933–34—National Planning Board, final report 1933–34, page 11:

State and interstate planning is a lusty infant but the work is only beginning. Advisory economic councils may be regarded as instrumentalities for stimulating a coordinated view of national life and for developing mental attitudes favorable to the principle of national planning.

Page 60:

Finally, mention should be made of the fact that there are three great national councils which contribute to research in the social sciences. The Council of Learned Societies, the American Council on Education, and the Social Science Research Council are important factors in the development of research and add their activities to the body of scientific material available in any program of national planning.

The Council of Learned Societies has promoted historical and general social research.

The American Council on Education has recently sponsored an inquiry into the relation of Federal, State, and local governments to the conduct of public education. It has served as the organizing center for studies of materials of instruction and problems of educational administration. It represents the educational organizations of the country and is active in promoting research in its special field.

The Social Science Research Council, a committee of which prepared this memorandum, is an organization engaged in planning research. It is true that its object has not been to make social plans, but rather to plan research in the social field. A decade of thought on planning activities through its committees, distributed widely over the social sciences, has given it an experience, a background with regard to the idea of planning, that should be of value if it were called on to aid in national planning. Furthermore, the members of the Social Science Research Council, its staff, and the members of its committees are perhaps more familiar than the members of any other organization with the personnel in the social sciences, with the research interests of social scientists, and

with the experience and capabilities of social science research workers in the United States. The members of the council are familiar with the different bureaus of research. The council has been concerned chiefly with the determination of the groups and persons with whom special types of research should be placed. For this purpose it has set up committees, organized commissions, promoted research, and sponsored the development of various research agencies and interests. With its pivotal position among the social sciences, it could undoubtedly render valuable aid if called on to do so, in the formidable task of national planning.

Page 66:

It was after the Civil War that American economic life came to be dominated by the philosophy of laissez faire and by the doctrines of rugged individualism. But the economic and social evils of the period resulted in the development of new planning attitudes tending to emphasize especially public control and regulation.

Page 67:

Summing up the developments of these 125 years, one may say that insofar as the subject here considered is concerned, they are important because they left us a fourfold heritage:

First, to think in terms of an institutional framework which may be fashioned in accordance with prepared plans;

Second, a tendency to achieve results by compromise in which different lines and policies are more or less reconciled;

Third, a tendency to stress in theory the part played in economic life by individualism, while at the same time having recourse in practice to governmental aid and to collective action when necessary; and

Fourth, a continued social control applied to special areas of economic life.

Page 71:

Such was the note already heard in America when during 1928–29 came the first intimations of the 5-year plan, and the Western World began to be interested in the work and methods of the Gosplan in Moscow. The Russian experience was not embodied in any concrete way in American thinking, but it stimulated the idea that we need to develop in an American plan out of our American background.

The National Planning Board after furnishing its report in 1934 was discontinued.

The National Resources Committee was in existence from 1934 to 1939.

In 1939, the National Resources Planning Board was constituted, in part with the same personnel. After a few years of deliberation, it rendered its final report, from which the following verbatim and continuous extract is quoted from page 3:

The National Resources Planning Board believes that it should be the declared policy of the United States Government to promote and maintain a high level of national production and consumption by all appropriate measures necessary for this purpose. The Board further believes that it should be the declared policy of the United States Government.

To underwrite full employment for the employables;

To guarantee a job for every man released from the Armed Forces and the war industries at the close of the war, with fair pay and working conditions;

To guarantee and, when necessary, underwrite:

Equal access to security,

Equal access to education for all,

Equal access to health and nutrition for all, and

Wholesome housing conditions for all.

This policy grows directly out of the Board's statement concerning which the President has said:

"All of the free peoples must plan, work, and fight together for the maintenance and development of our freedoms and rights."

THE FOUR FREEDOMS

Freedom of speech and expression, freedom to worship, freedom from want, and freedom from fear: and

A NEW BILL OF RIGHTS

1. The right to work, usefully and creatively through the productive years;
2. The right to fair pay, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift, and other socially valuable service.

Mr. HAYS. Would you mind identifying where this came from?

Mr. MCNIECE. Yes, sir. This is the final report of the National Resources Planning Board.

Mr. HAYS. All right.

Mr. MCNIECE. (reading):

3. The right to adequate food, clothing, shelter, and medical care;
4. The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment, and accident;
5. The right to live in a system of free enterprise, free from compulsory labor, irresponsible private power, arbitrary public authority, and unregulated monopolies;
6. The right to come and go, to speak or to be silent, free from the spyings of secret political police;
7. The right to education, for work, for citizenship, and for personal growth and happiness; and
8. The right to equality before the law, with equal access to justice in fact;
9. The right to rest, recreation, and adventure, the opportunity to enjoy life and take part in an advancing civilization.

Plans for this purpose are supported and explained in this report. The previous publications of the Board, including National Resources Development Report for 1942, transmitted to the Congress by the President on January 14, 1942, and a series of pamphlets (After Defense—What? After the War—Full Employment, Postwar Planning, etc.), also provide background for this proposal.

The plans just mentioned are incorporated in a series of points under the following captions:

Page 13: A. Plans for Private Enterprise.
Page 13: B. Plans for Finance and Fiscal Policies.
Page 13: C. Plans for Improvement of Physical Facilities.
Page 16: D. Essential Safeguards of Democracy.

Under a caption, "Plans for Services and Security" are extensive recommendations under the descriptive headings which follow:

Pages 16–17:

A. Plans for Development of Service Activities.
   1. Equal access to education.
   2. Health, nutrition, and medical care.
B. Plans for Underwriting Employment
C. Plans for Social Security

Still another basic caption appears as follows:

Pages 60–66: Equal Access to Health:

I. Elimination of All Preventable Diseases and Disabilities.
II. Assurance of Proper Nutrition for All Our People.
III. Assurance of Adequate Health and Medical Care for All.
IV. Economical and Efficient Organization of Health Services.__

A statement of authorship of the section on Equal Access to Health says that it was prepared under the direction of Assistant Director Thomas C. Blaisdell, by Dr. Eveline M. Burns, of the Board's staff. Dr. Burns is a graduate of the London School of Economics, which has received grants from the Rockefeller Foundation totaling $4,105,600.

The discussion and detailed recommendations in this final report of the National Resources Planning Board are far too lengthy to be incorporated in this study. Certainly, some of them seem reasonable from the standpoint of our former governmental procedure but others are sufficiently novel to warrant mention herein in order to clarify the underlying objectives in the fields mentioned.

PLANS FOR IMPROVEMENT OF PHYSICAL FACILITIES [1]

We recommend for consideration: With private enterprise, through the Reconstruction Finance Corporation or possibly one or several Federal Development Corporations and subsidiaries providing for participation of both public and private investment and representation in management—particularly for urban redevelopment, housing, transport terminal reorganization, and energy development. Government should assist these joint efforts through such measures as:

(1) Government authority to clear obsolescent plant of various kinds, as, for instance, we have done in the past through condemnation of unsanitary dwellings, to remove the menace to health and competition with other or better housing.

(2) Governmental authority to assemble properties for reorganization and redevelopment—perhaps along the lines of previous grants of the power of eminent domain to canal and railroad companies for the acquisition of rights-of way.

HEALTH, NUTRITION, AND MEDICAL CARE

Assurance of adequate medical and health care for all, regardless of place of residence or income status and on a basis that is consistent with the self respect of the recipient, through:

(1) Federal appropriations to aid States and localities in developing a system of regional and local hospitals and health centers covering all parts of the country;

(2) Assurance of an adequate and well-distributed supply of physicians, dentists, nurses, and other medical personnel.

PLANS FOR UNDERWRITING EMPLOYMENT

To guarantee the right to a job, activities in the provision of physical facilities and service activities should be supplemented by:

(1) Formal acceptance by the Federal Government of responsibility for insuring jobs at decent pay to all those able to work regardless of whether or not they can pass a means test;

(2) The preparation of plans and programs, in addition to those recommended under public works (II–B–3), for all kinds of socially useful work other than construction, arranged according to the variety of abilities and location of persons seeking employment.[2]

[1] From final report, NRPB, p. 13.
[2] Ibid., p. 17.

Page 17:

PLANS FOR SOCIAL SECURITY

Reorganization of the unemployment compensation laws to provide broadened coverage, more nearly adequate payments, incorporating benefits to dependents, payments of benefits for at least 26 weeks, and replacement of present Federal-State system by a wholly Federal administrative organization and a single national fund.

Creation of an adequate general public assistance system through Federal financial aid for general relief available to the States on an equalizing basis and accompanied by Federal standards.

Strengthening of the special public assistance programs to provide more adequately for those in need, and a redistribution of Federal aid to correspond to differences in needs and financial capacity among the States.

Page 69:

EQUAL ACCESS TO EDUCATION

That equal access to general and specialized education be made available to all youth of college and university age, according to their abilities and the needs of society.

Page 70:

That adequate provision be made for the part-time education of adults through expansion of services such as correspondence and class study, forums, educational broadcasting, and libraries and museums.

Page 71:

That camp facilities be made available for all youth above the lower elementary grades, with work experience provided as a part of camp life.

Page 72:

That the services of the United States Office of Education and State departments of education be expanded and developed to provide adequate research facilities and educational leadership to the Nation.

Page 73:

That inequality of the tax burden for education within and among the States be reduced through the distribution of State and Federal funds on the basis of need.

The quotations from the reports of the National Planning Board and the National Resources Planning Board should suffice to show how they have followed the lead of the Commission on Social Studies and how completely they have embraced virtually all phases of our economic life including education.

It will be of interest and significance to trace the progress of one who was undoubtedly a leader in the evolution of this influence as it has been set forth. In this case, we refer to Mr. Charles E. Merriam and in so doing we wish to have it thoroughly understood that we are casting no aspersions on his name or memory.

The following statement regarding the origin of the Social Science Research Council is found in the annual report of that organization for 1928–29.

From page 39, appendix A:

In 1921, the American Political Science Association appointed a Committee on Political Research, with Prof. Charles F. Merriam as chairman. The purpose of this committee was to scrutinize the scope and method of research in the field of government in order to obtain a clearer view of the actual situation and to offer constructive suggestions.

In a preliminary report in December 1922, the following statement appeared:

That a sounder empirical method of research had to be achieved in political science if it were to assist in the development of a scientific political control. Quoting further the report said:

As one of its major recommendations, the committee urged "the establishment of a Social Science Research Council consisting of two members each from economics, sociology, political science, and history, for the purpose of:

"(*a*) The development of research in the social studies.

"(*b*) The establishment of a central clearing house for projects of social investigation.

"(*c*) The encouragement of the establishment of institutes for social-science study, with funds adequate for the execution of various research projects and publications, in the various fields of science."

The Social Science Research Council was formed in 1923 and incorporated in 1924. Charles E. Merriam served as its president from 1924 to 1927. He was president of the American Political Science Association during 1924 and 1925, a member of the Hoover Commission on Social Trends and of the President's Commission on Administrative Management from 1933 to 1943.

In 1926, a Committee of the American Historical Association made a preliminary study and recommendation on the subject of social studies in the schools. Mr. Merriam was a member of this committee and later of the final commission on social studies whose report of May 1934 we have discussed at length.

In spite of his retention of membership, he with 3 others out of the Committee of 14 members failed to sign the final report. Since no dissenting report or advices are recorded, we can only guess at the reason. In fairness to Mr. Merriam and from an examination of some of his later writings on other matters, we are led to believe that he was sufficiently opposed to the extreme revolutionary plans of Marxism to disassociate himself from the more radical conclusions in this report.

Be that as it may, he retained his interest and activity in national planning to the last. Following his connections with the American Political Science Association, the Social Science Research Council, and the American Historical Association, he was a member of the National Planning Board in 1933–34; the National Resources Committee 1934–39; the National Resources Planning Board 1939–43; the President's Committee on Administrative Management 1933–43 and the United States Loyalty Review Board 1947–48.

Mr. Merriam is the author of a book published in 1941 by the Harvard University Press, entitled "On the Agenda of Democracy." This book is composed of a series of lectures delivered by the author.

The opening statement in the introduction follows (p. xiii):

Foremost on the agenda of democracy is the reconsideration of the program in the light of modern conditions. The old world is gone and will not return. We face a new era, which searches all creeds, all forms, all programs of action, and spares none. Reason and science have made basic changes that demand readjustment at many points. * * *

One of the chief tasks confronting democracy is the development of a program adequate to meet the changes of our time. * * *

Mr. Merriam defines planning as follows (p. 77):

Planning is an organized effort to utilize social intelligence in the determination of national policies.

The ensuing extracts from the pages indicated throw additional light on Mr. Merriam's views (pp. 86–87):

From the organizational point of view the NRPB (National Resources Planning Board) is part of the Executive Office of the President. This includes the White House Office, the Bureau of the Budget, the National Resources Planning Board, the Office of Government Reports, the Liaison Office for Personnel Management, and the Office for Emergency Management. With the reference to other Federal agencies outside of overhead management, the Board has endeavored to encourage planning activities in the various departments of the Government. There is now a Planning Division, specifically so-called, in the Department of Agriculture.

There is one in the making (provided Congress gives an appropriation) in the Federal Works Agency; there is a general committee in the Department of the Interior which is not called a planning committee but which may serve the same purpose, and there are Planning Divisions in the War Department and in the Navy Department. There are similar enterprises not labeled "planning" but doing much the same work in a variety of other agencies, as, for example, in the Treasury, in Commerce, in the Federal Reserve Board, and in other independent agencies. The Board has endeavored to make a special connection with Federal agencies through its various technical committees, dealing with particular topics assigned by the President. These committees usually have representatives of several Federal agencies, as, for example, the Committee on Long-Range Work and Relief Policies.

The Board (National Resources Planning Board) has also dealt with private agencies interested in planning. The most notable example is its Science Committee. Here groups were brought together that never came together before, namely, the National Academy of Sciences, the Social Science Research Council, the American Council of Learned Societies, and the American Council on Education with its 27 constituent organizations. The members of the science committee are designated by these four groups. These scientists have undertaken with the United States Government some very important studies, notably the study of population, the study of the social implications of technology, and the study of research as a national asset—research in the National Government, in private industry, and ultimately in the various local governments.

Pages 110–11:

As a student of planning, I see the possibility of adapting our national resources to our national needs in peace as well as in war, in the development of national productivity and higher standards of living as a part of the same program. This is the bill of rights in modern terms.

Page 113:

It will be important to have a shelf of public work and projects ready for use, if there is need, available to combat any wide tendency toward general unemployment.

In another book called the New Democracy and the New Despotism, Mr. Merriam states (pp. 58–59):

> Out of the field of science and education emerged the body of inquiry, experiment, and reflection known as social sciences. The developing range of knowledge regarding the principles and techniques of social behavior tended to increase human confidence in conscious social control. The tendency was not merely to accept the environment as given, but to understand it, then to devise appropriate methods and techniques for the guidance of social forces.

Page 148:

> My own preference is for a national planning board appointed by the Executive and responsible to him, serving on an indeterminate tenure. Such an organization might act as a long-time planning agency for the coordination of various plans among departments or bureaus and for the elaboration of further lines of long-time national policy in the larger sense of the term.

All in all, the long record of Mr. Merriam in his participation in the general field of the social sciences and in the governmental operations, and the quoted excerpts from his writings should serve to identify him thoroughly with the policies and practices, the effects of which are shown in the staff's report on economics and the public interest.

To emphasize the importance of the parts played by the specialists from the field of education, it may be said that the staff has lists of some of these consultants and advisers that total as follows: Department of State, 42; Department of Denfense, 169.

Before taking up the report on economics and the public interest, it will be well to take a moment or two to close the triangle of relationships among foundations, education and Government by reference to the United States Office of Education. It is the official center of contact between the Government itself and the outside educational world.

In table 7 of the Economic Report, it is shown that from 1945 to 1952 inclusive, the Federal Government has expended the total sum of $14,405,000,000 on education in its various forms. Much, if not all, of this is under the jurisdiction of the United States Office of Education.

As part of this vast project, the Office itself issues many good booklets on various phases of education and collects many valuable statistics on cost, attendance, and other matters of interest in this domain. Among the booklets issued by this agency are a few which may be mentioned and identified.

They are:

The U. N. Declaration of Human Rights: A handbook for teachers, Federal Security Agency, Bulletin 1951, No. 12, Office of Education.

How Children Learn About Human Rights: Place of subjects series, Bulletin 1951, No. 9, Federal Security Agency, Office of Education.

Higher Education in France: A handbook of information concerning curricula available in each institution, Bulletin 1952, No. 6, Federal Security Agency, Office of Education.

Education in Haiti: Bulletin 1948, No. 1, Federal Security Agency, United States Office of Education.

This brief reference is purely factual and without appraisal or comment.

It is made only as a matter of information for the consideration of the committee when it considers the problems involved.

This is the conclusion of the report.

The CHAIRMAN. You are including the other parts in the record?

Mr. MCNIECE. Yes, the economics report is separate and I had hoped if the time were available we might read certain parts of that, but include the whole thing for the record, avoiding the complications and confusion and time involved in reading a lot of statistics which are of value only for study.

The CHAIRMAN. The Rockefeller Foundation has given a total in excess of $4 million to the London School of Economics?

Mr. MCNIECE. That is right, according to the record, as we have compiled it.

The CHAIRMAN. That is a lot of money. And the London School of Economics is generally recognized as being liberal, with liberal in quotations?

Mr. MCNIECE. Yes.

The CHAIRMAN. Or by some people referred to as leftist. Having attended the London School of Economics for a time, that accounts for my leftist leanings.

Mr. HAYS. I would say by the process we are going here that makes you subversive. I don't really think you are, but you could certainly imply that from some of the things. I am glad you brought that up, because I had read this before, and I have listened carefully, and you have put your finger on the only thing in this whole document that has anything to do with foundations, that reference on page 9. The rest is just airing somebody's political views.

Mr. MCNIECE. No.

The CHAIRMAN. No. The National Resources Planning Board, the way it was set up, it did tie into the foundation funds, did it not?

Mr. MCNIECE. Certainly, through the American Historical Association, the Social Science Research Council, the American Council on Education, the aid of all of which is acknowledged in the official reports of the National Resources Planning Board. It is stipulated by them. That is a definite hookup with the foundations.

Mr. HAYS. You say yourself they suggest that; is that bad?

Mr. MCNIECE. They have not the power of Congress to authorize its adoption. They have gone as far as they can.

Mr. HAYS. Now, you are getting some place. In other words, none of this has any validity or authority unless Congress decides to implement it.

Mr. MCNIECE. I have suggested here in the preliminary statement that the appropriations by Congress and the record of governmental expenditures follow very closely the line of recommendations which I just finished reading.

Mr. HAYS. Are you saying that Congress has a bunch of nitwits and dupes or just-been subversive, or what?

Mr. MCNIECE. No; I am not saying any such thing, and it should not be inferred from any remark I have made.

The CHAIRMAN. My knowledge is just to the contrary.

Mr. HAYS. You seem to indicate that Congress was pushed into this by the statement you just made, that their appropriations paralleled this and these people influenced them.

Mr. MCNIECE. Inferences are free to those who make them. I have only stated the facts. I am making no inference beyond the statement of facts.

The CHAIRMAN. But the essential part of these recommendations have never been touched by Congress. Take for instance on page 10:

(2) Governmental authority to assemble properties for reorganization and redevelopment—perhaps along the lines of previous grants of the power of eminent domain to canal and railroad companies for the acquisition of rights-of-way.

If that recommendation were implemented, it would give the Federal Government authority to move any industry into any other part of the country.

Mr. MCNIECE. That is right.

The CHAIRMAN. At one time that recommendation was made to Congress, incidentally. Congress has been, on the contrary, the one to resist recommendations of this nature. That is as nationalistic a recommendation as could possibly be made to the Federal Government.

Mr. HAYS. You read the second paragraph. Let us read the first one:

Government authority to clear obsolescent plants of various kinds.

What about that? You have not heard any squawks from General Motors, have you, about tax-amortization certificates where they got a nice big fat donation from the taxpayers in order to clear out an obsolescent plant so they could build a better one, and then it did not cost them anything?

The CHAIRMAN. The Government has not been given authority to determine what plants are obsolescent and carry them out.

Mr. HAYS. That is the only difference. They let them determine it, and how much profit they will make. That seems to be all right.

The CHAIRMAN. That is entirely different.

Mr. HAYS. It is not entirely different.

The CHAIRMAN. In my way of thinking.

Mr. HAYS. Going back to page 9, and we are going to stick to this in spite of all the diversions, that to me is the only relation this has to foundations in any way, shape or form. You refer to a report prepared by Dr. Eveline M. Burns, and then you hasten to add she is a graduate of the London School of Economics, which has received grants from the Rockefeller Foundation totaling $4,105,600. I want to ask you specifically, does that mean you do not approve of this report by Dr. Burns?

Mr. MCNIECE. I am reporting only on facts and not indicating approval or disapproval of any of the facts which I am offering. My approval or disapproval would be worthless in any appraisal of the situation. I am only attempting to bring out the facts as we found them.

Mr. HAYS. Why bring in Dr. Burns? What does that have to do with it, then?

Mr. MCNIECE. I thought it was clearly stated, "A statement of authorship of the section on 'Equal access to health'." This is in the report itself—says that it was prepared under the direction of Assistant Director Thomas C. Blaisdell, by Dr. Eveline M. Burns, of the Board's staff.

This is the acknowledgment of authorship in the report itself.

Mr. HAYS. Do you mean to imply that the London School of Economics is responsible for anything that any of its graduates ever wrote?

Mr. MCNIECE. I don't imply any such thing.

Mr. HAYS. Why put that in? I am curious. She must have gone to some other school.

Mr. MCNIECE. I have no control over other peoples' inferences. The factual evidence is that Dr. Burns went to the London School of Economics, she graduated from there and presumably she went there for the purpose of absorbing some ideas. That is the purpose of education.

Mr. HAYS. Do you know from what high school she graduated?

Mr. MCNIECE. No.

Mr. HAYS. Why not put that in?

Mr. MCNIECE. She is English. That would expend more of the Government's taxpayers' money. That would take some time.

Mr. HAYS. Let us not worry about that. We have not up to this time in this committee. It seems to me it is a valid assumption. The only reason the London School of Economics was mentioned is because it got a grant from the Rockefeller Foundation, and she went there, and you had to tie it into the foundation.

Mr. MCNIECE. Of course it is a tie-in, the same as this flow of men fostered and supported by foundation grants, without mentioning a specific one; such things as some of the prior witnesses have testified individually. Of course it has an influence.

Mr. HAYS. That is what I wanted to get in, the fact that was brought in in order to make a rather tenuous tie to the whole thing.

On page 2 you say that the methods used in bringing about changes suggest a form of subversion.

Mr. MCNIECE. I don't find that on page 2.

Mr. HAYS. No, I am sorry. That is in the economic report. Let us go back. We don't want to get to that one yet.

At the bottom of page 2, you bring in Engels and Marx. Do you do that to point out—first let me ask you this. Are you against planning?

Mr. MCNIECE. That is a very broad question, and I could only make a purely hypothetical answer.

Mr. HAYS. I will narrow it down. Are you against Government planning? That takes away the broadness of the basis.

Mr. MCNIECE. Not sufficiently to permit me to make an answer. I can make a qualified answer.

Mr. HAYS. All right.

Mr. MCNIECE. I certainly don't object to, and I would rather criticize any governmental department that did not attempt to plan its own activities with reasonable care, but for any governmental department or group of governmental departments to attempt to plan the procedure of national affairs, including production, distribution, finance, not concerned directly with the Government's overriding control of finance, I certainly disapprove of.

The CHAIRMAN. That is, you are opposed to a planned economy by the Government.

Mr. MCNIECE. I disapprove of a planned economy, definitely. But that has no relations to the planning of an individual department's activities. They are very poorly managed if they don't do that.

Mr. HAYS. Now, then, to go to a more narrow base yet and a more specific example, what about the planning of an agency in the Government—I can't think of the exact title—that loans various political subdivisions money to draw up plans for improvements, such as hospitals, highways, schools, courthouses, rehabilitation of existing facili-

ties and so on, in case there ever comes a time when there needs to be a program of public works. Do you disapprove of that?

The CHAIRMAN. May I interject? Really I feel it is outside of the purview of a member of the staff to give his opinions on such problems. He is presenting certain facts for the evaluation of the committee.

Mr. HAYS. Mr. Chairman, he is presenting a political document. If you are going to allow the staff to come in and present political views purporting to be those of this committee, then I think the committee has a right to explore them.

The CHAIRMAN. If he is interested in giving his opinion on governmental problems of all kinds——

Mr. HAYS. This is an indictment of planning.

The CHAIRMAN. He is at liberty to do so as far as I am concerned.

Mr. HAYS. I think the question is very relevant and has direct bearing on this report. I will admit the report does not have much bearing on H. R. 217, but since it has been presented here, we might as well question about the report. If you want to throw the whole thing out and say it has no relationship to this investigation and say let us forget it, I am willing to do that. But if we are going to put it in the record, I think it ought to be explored a bit.

The CHAIRMAN. Yes. Anything connected with the report itself, I think should be, but I referred only to asking him his personal views on economic and governmental matters.

Mr. HAYS. Maybe I can get the whole thing over in one question.

The CHAIRMAN. Good.

Mr. HAYS. Would you answer this question, Mr. McNiece? If you will give me—maybe you won't give the answer I think you are going to because I think I want it. It is really immaterial to me. It occurs to me this: You are against planning that disagrees with what you think is good for the country, and you are for planning that agrees with what you think is all right. Could you answer that question "Yes"?

Mr. MCNIECE. I don't know what you comprehend in that part of your question that suggests my favorable attitude toward planning that I think is good for the country. The question is rather broad and general.

Mr. HAYS. You don't want to say that you are against planning altogether, do you?

Mr. MCNIECE. It depends on the field in which it operates. If you can specifically identify the field, then perhaps I can give you a "Yes" or "No" answer.

Mr. HAYS. Let me put it this way. You approve of planning in the fields that you approve of and disapprove of it in the fields in which you don't think the Government ought to plan, is that right?

Mr. MCNIECE. I have no comment. That question again does not permit of a "Yes" or "No" answer that has any real significance from my particular standpoint.

Mr. HAYS. Then perhaps you could just tell us what fields that you do approve the Government planning in, and what ones you disapprove, because after all, this is more or less your opinion, isn't it?

Mr. MCNIECE. One man's opinion is another man's fact.

Mr. KOCH. May I ask a question here?

Mr. HAYS. Sure.

Mr. KOCH. Isn't it true that the purpose of this report was not to state your political view or our political view, but rather to show that certain matters or certain things have occurred in our political life, and you point out that the foundations urged that that be done? Let us assume, so that there will be no getting into argument, that what they recommended was all right. Let us not get into that argument. But say that they sparkplugged it and that the people in the Government who, like everybody else, likes to go to experts to ask what do you think about what planning should be done, have gone to those 5 or 6 associations and the question arises, Who are they to call the signals when neither you nor I elect any of them? There is that question. If they advise political activity or political programs, there is a serious question on the matter of good government. Who is this fourth power? We have the congressional power, the legislature, the judicial, and the executive. But might there be a fourth power here that is not responsible to the people and not elected by the people? Is not that the point that really you wish to mention, and not your political view?

Mr. MCNIECE. That is right.

Mr. HAYS. Yes, but you have just come as close to proving that point as it would be to sit here and say that because I attended Duke University for one semester that university is responsible for anything or everything I say in these hearings. That is just how close you have come in this whole case to proving any connection whatsoever between the foundations and what has happened in this country in the last 20 years.

As a matter of fact, some of our own witnesses, one of them yesterday very plainly said that he didn't know whether the foundations had caused it or the foundations had been pushed along by the irresistible force of the times, or words to that effect. I put it in a more simple analogy and said, "In other words, Doctor, it is a question of which came first, the chicken or the egg, and you don't know." And he said he didn't.

Mr. MCNIECE. There is one thing to say about that. Effect does not precede its cause.

Mr. HAYS. What do you mean to imply by that?

Mr. MCNIECE. I mean to imply that we have documentation which shows the gradual development of this movement in this country. I might say that in no case in even the slightest detail were we associated in any way, nor did we know the nature of the documented testimony that was produced by Mr. Sargent.

Mr. HAYS. If you are going to bring in Mr. Sargent, let me say as far as Mr. Sargent is concerned, I will submit his testimony to any impartial jury, and if you can find one valid thing in it that anywhere remotely resembles the truth, I would like you to point it out to me. I will go on to say this to you. I have made an analysis of Mr. Sargent's testimony and over 600 times he mentioned names of people or organizations which he implied were wrong, and he pretty well covered the waterfront.

Mr. MCNIECE. I heard the testimony.

Mr. HAYS. If you don't want to take my word for it, I suggest you read the editorial in the San Francisco Chronicle, a very, I might say, conservative Republican newspaper, which says in effect that if this committeee had taken the trouble to find out as much about Mr. Sar-

gent as Californians already knew, and about how his testimony that he gave here had been discredited in California, they would not have wasted 3 days listening to him.

Mr. McNIECE. That was an editorial comment, wasn't it?

Mr. HAYS. That is right.

Mr. McNIECE. That may answer its own question.

Mr. HAYS. It answered it good enough for me.

Mr. McNIECE. I have seen some editorials, one in particular from California, that was quite the contrary.

Mr. HAYS. I don't know what paper it is from, but I will put the San Francisco Chronicle as being a pretty reputable paper.

The CHAIRMAN. I don't think this is the time to either characterize or evaluate Mr. Sargent's testimony.

Mr. HAYS. I will promise that anything I have said today, Mr. Chairman, will be mild to the evaluation I will give in the minority report. That will be a printed document.

The CHAIRMAN. Do you have any questions?

Mr. KOCH. No, Mr. Chairman.

Mr. WORMSER. No, Mr. Chairman.

Mr. HAYS. I have a lot more questions, but frankly as far as I am concerned, I don't think the thing has much relation to what we are investigating, and I am willing to go ahead on to the next witness.

The CHAIRMAN. It is almost 12 o'clock. We will stand in recess until 2:30 in this same room.

(Thereupon at 11:45 a. m., a recess was taken until 2:30 p. m., the same day.)

AFTER RECESS

Mr. GOODWIN (presiding). The hour to which the committee stands recessed has arrived, and the committee will be in order. Mr. Wormser.

Mr. WORMSER. I think Mr. McNiece finished reading the supplemental report. He has this report, Economics and the Public Interest, parts of which are narrative and parts of which are statistical. Do you think it necessary to read any part of that, Mr. McNiece?

Mr. McNIECE. I am perfectly willing to abide by the wishes of the committee. Certainly it would be in my judgment useless, as well as boring and time consuming, to attempt to read all the statistics that are in these 20 tables or so that I have got in here.

I might state that the objective of the report is to follow up the recommendations, as they were enumerated this morning, of the National Planning Board, the National Resources Committee, and the National Resources Planning Board, which lasted through about a decade of time, from about 1933 to 1943, approximately. That was all covered this morning. There were specific titles and captions which I mentioned and followed by reading excerpts under each of them at some length. The statistics in this economic report, which I do not believe it is feasible in a hearing of this type to repeat, merely bear out in caption and in the trend of expenditure—if I may so state it—over the period of years, they support or agree with to a very, very great extent the propositions and suggestions that were brought out in this morning's manuscript which I read.

Mr. WORMSER. What are the sources of those statistics, Mr. McNiece?

Mr. MCNIECE. The sources of the statistics, I think I can say conclusively are governmental reports of one type or another. Most of them are summarized in the large statistical annual put out by the Government Printing Office, in which statistics are assembled from the various executive departments, such as the Census Bureau, the Department of Labor, Department of Commerce, Treasury Department. They affect virtually all phases of our operations. I think we have, if you are interested in seeing it, a copy of the manual in the office from which these statistics have been taken.

Mr. GOODWIN. It is your belief that they should be made a part of the record, is that right?

Mr. MCNIECE. I think they should be made a part of the record.

Mr. GOODWIN. In the absence of objection——

Mr. WORMSER. I think it was stated this morning they would be made a part of the record.

Mr. HAYS. I don't know whether they were or not, to tell you the truth.

Mr. GOODWIN. In the absence of an objection, the reading of the statistics will be waived and it will be understood that they will become a part of the record.

Mr. WORMSER. This entire document, Mr. Goodwin, please.

Mr. GOODWIN. That refers to the document.

Mr. KOCH. The only remaining question then is this. This morning Mr. McNiece thought it might be helpful for him to read only a part of the script in that document, and I think he is now raising the question whether even that is necessary. I think he would like to have an expression from you two gentlemen whether you feel that would be helpful or not.

Mr. GOODWIN. Let us get an expression of the opinion of the witness whether he feels it would be helpful to have it read or made a part of the record without reading.

Mr. MCNIECE. There are some things here which I thought this morning it might be well to include perhaps in the reading of the record, though I don't want to do it at any waste of time on the part of any of us.

Mr. HAYS. If this is going to be inserted in the record en bloc, there is no point as I see it of reading sections into the record twice, unless you want to emphasize them, and you can do that by just underscoring them.

Mr. MCNIECE. I have no desire to get it into the record twice. It is merely a matter of emphasis that might promote better examination or cross-examination. I have no desire to prolong the reading of this at all. Part of it, as I have said previously, definitely does not lend itself to a narrative form.

Mr. GOODWIN. Then in the absence of objection, the reading of the material to which the witness is now referring will be waived with the understanding it is made a part of the record. Is there objection?

Mr. HAYS. No.

Mr. GOODWIN. The Chair hears none.

(The statement referred to follows:)

PREFACE

Over the past 50 years sweeping changes have occurred in this country in the functions and activities of the Federal Government. Some of these changes are to be expected as a result of increasing population, industrial, and commercial growth and our greater participation in world affairs.

By no means have all of the changes resulted from the foregoing causes. On the contrary other deviations have occurred which are totally unrelated to changing requirements of Government and which in fact have not been considered as functions of Government under our Constitution and its enumerated powers.

Among these is the increasing participation of the Federal Government in education, slum clearance, nutrition and health, power generation, subsidization of agriculture, scientific research, wage control, mortgage insurance, and other activities. Most if not all of these were politically conceived and depression born. They represent new ventures in our Federal Government's activities.

Most, if not all of these newer activities of Government are recommended in one place or another in publications of socially minded committees of Government and of reports by various educational groups, social science and others, supported by foundation grants.

They are so foreign to the conception of our Government of enumerated powers as we have known it under the Constitution, that the departure has been referred to as a "revolution" by one of its proponents who will be quoted later. While the groundwork for these changes has been underway for a long time, the real acceleration of progress toward these objectives began about 20 years ago. Since then, the movement has grown apace with little or no sign of slowing down.

The word "revolution" is commonly associated with a physical conflict or development of some sort accompanied by publicity that marks its progress one way or another. Not all revolutions are accomplished in this manner.

The lower the social stratum in which a revolution originates, the noisier it is likely to be. On the contrary a revolution planned in higher circles by some segment of people at policymaking levels may be very far advanced toward successful accomplishment before the general public is aware of it.

A plan may be formulated with some objective in mind, agreement reached, organization effected, and action begun initially with a minimum of publicity. Such a program has been in progress in this country for years. Originally, the thought of such a revolutionary change was probably confined to very few people—the organizers of the movement. With the passage of time and under the influence of the growing emphasis on the so-called social sciences, the Federal Government began to push forward into areas of activity formerly occupied by State and local government and private enterprise.

As an indication of this trend, a statement may be quoted from regional planning, a report issued by the National Resources Committee in June 1938.

"More than 70 Federal agencies have found regional organization necessary and there are over 108 different ways in which the country has been organized for the efficient administration of Federal services."

Arrangements of this type facilitate the gradual expansion of governmental action and control through executive directives as distinguished from specific legislative authorization.

Much of this planning was done with the aid of social scientists in Government employ and of outside individuals or groups with similar ideas and objectives. Many of these were directly or indirectly connected with educational organizations who have and still are receiving very substantial aid from the large foundations.

Some of these activities were undertaken under the guise of temporary aid during depression but they have been continued on an increasing scale as will be shown in the ensuing report.

Evidence indicates that a relatively large percentage of foundation giving was originally in the form of grants to endowment funds of educational institutions. There has been a sizable shift in later years from grants for endowment to grants for specific purposes or objectives but still through educational channels.

As far as the economic influence on Government is concerned, the results were manifested first through the planning agencies. The recommendations made by these groups finally evolved into more or less routine matters in which Congress is now asked to approve each year a series of appropriations to cover the cost. These various classes of expenditures are listed and discussed in the

ensuing report. Charts are included at the end. In a number of cases, trends are shown for the greater part of this century.

It should be understood that not everyone who has assisted in furthering these objectives is guilty of conscious participation in questionable action. Those who have studied these developments know that many well-meaning people have been drawn into the activities without knowledge of understanding of the final objectives. A well-organized central core of administrators with a large number of uninformed followers is standard practice in such organized effort.

Economics and the Public Interest

INTRODUCTION

This report is made for the purpose of showing the nature and increasing costs of governmental participation in economic and welfare activities of the Nation. These were formerly considered as foreign to the responsibilities, particularly of the Federal Government.

The nature of these recent activities is briefly described and data shown in tables 1 to 8. The results are shown annually in these tables since 1948 in order to indicate the generally increasing trends in recent years.

Tables 9 to 16 and charts 1 to 12, together with the accompanying data sheets from which the charts are constructed, afford some measure, both volumetric and financial, of the effect these activities have had on national debt, taxes, and personal income of the people.

Finally, the conclusion is drawn that the financial integrity of the Nation will be jeopardized by a continuation of the policies which may be ineffective in the end as far as their stated objectives are concerned.

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REVOLUTION

In the 20 years between 1933 and 1953, the politicians, college professors, and lawyers, with little help from business, wrought a revolution in the economic policies of the United States. *They repudiated laissez-faire.* They saw the simple fact that if capitalism were to survive, Government must take some responsibility *for developing the Nation's resources, putting a floor under spending, achieving a more equitable distribution of income and protecting the weak against the strong.* The price of continuing the free society was to be limited intervention by Government. [Italics added.]

The foregoing statement is the opening paragraph in an article by a Harvard professor (Seymour E. Harris, professor of economics, Harvard University in the Progressive, December 1953) as printed in a recent issue of a magazine and as included in the appendix of the Congressional Record of February 15, 1954.

It is a very broad and emphatic statement. Numerically, the "politicans, college professors, and lawyers" comprise a very minute percentage of the total population of the country—a minute percentage of the people who, under the Constitution are responsible for effecting "revolutionary" changes in governmental practice. Certainly these changes as enumerated have never been submitted to nor ratified as such by the people or their duly elected representatives.

Rvolution accomplished: How then could a departure so drastic as to be called a "revolution" be accomplished?

Normally a revolution is not accomplished without a considerable measure of publicity attained through fuss and fireworks that attend such efforts. In the absence of such developments, it could only be achieved through carefully coordinated effort by a relatively small group centered at policy making levels.

In connection with this latter throught, it is interesting to compare the statement quoted in the first paragraph with the five points for Federal action enumerated shortly hereafter.

Evidence of such changes in Federal policy, their direction and effect will be submitted later, but it will be first in order to mention that the Federal Government is a government of enumerated powers. Certainly the powers enumerate do not mention the "development of the Nation's resources, putting a floor under spending, achieving a more equitable distribution of income and protecting the weak against the strong." Neither has the Government itself prior to the period mentioned in the opening paragraph, assumed such rights and responsibilities.

These and other changes which have been effected are revolutionary. They have been accomplished not openly but indirectly and without the full knowledge and understanding of the people most affected.

Subversion: In fact, the methods used suggest a form of subversion. Subversion may be defined as the act of changing or overthrowing such things as the form or purpose of government, religion, or morality by concealed or insidious methods that tend to undermine its supports or weaken its foundations.

Public interest: It may be said by the proponents of such procedure that it is warranted by the "public interest." Public interest is difficult to define but for the purpose of this study, we can probably do no better than to refer to the preamble of the Constitution of the United States wherein it is stated that the Constitution is established—

"in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

The last three words in the foregoing quotation impose a responsibility for the future upon us of the present. A risk for the future is implicit in some of the measures advanced for the advantage of the present and such measures may be said to be subversive, un-American and contrary to the public interest. To subvert or circumvent the Constitution or to change authorized procedure under its provisions by other than the methods established by the Constitution itself may with certainty be called un-American. The Constitution is not a static or dead document. It has been amended with reasonable frequency and can always be modified if a real need for change develops.

Methods of procedure: Mr. A. A. Berle, Jr., formerly Assistant Secretary of State and one of the active proponents of increased governmental participation in economic life made the suggestion that the Federal Government supply cash or credit for the following purposes after World War II (The New Philosophy of Public Debt by Harold G. Moulton, the Brookings Institution, Washington, D. C.).

(1) An urban reconstruction program.
(2) A program of public works along conventional lines.
(3) A program of rehousing on a very large scale.
(4) A program of nutrition for about 40 percent of our population.
(5) A program of public health.

Progress toward objectives: It will be informative to record a few measures of progress toward the objectives that focus so sharply on paternalism and socialism in government.

This Nation has attained a standard of living that is higher and more widely distributed than that reached by any other nation in history. It has been accomplished in a very short span of years as compared with the lives of other nations and it is still increasing. Impatience and envy unrestrained may conceivably wreck the future for the sake of the present. The possibilities of this are indicated in factual evidence of today. The public interest will not be served thereby.

(1) An urban reconstruction program: (e) A program of rehousing on a very elaborate scale: It is difficult to differentiate clearly between items 1 and 3 and such data as are available will pertain largely to both.

TABLE 1.—*New permanent housing units started in nonfarm areas publicly owned* [1]

Period	Number	
	Total	Average per year
1935–39	87,000	17,400
1940–44	224,800	44,960
1945–49	67,000	13,400
1950–52	173,500	57,833
Total	532,300	30,000

[1] Data from Supplement to Economic Indicators.

Data are not available on the total value involved in this increasing scale of public construction. Neither do the available data indicate the division of cost between local, State, and Federal Governments.

On February 27, 1954, the Housing and Home Finance Agency reported that there were 154 slum clearance projects underway in January 1954 compared with 99 at the beginning of 1953. This is an increase of 56 percent in number during the year.[1]

These tabular statements should be sufficient to indicate planned action in conformity with the suggestions involved in items 1 and 3. There are no data available that show any such Federal activities prior to 1935.

(2) A program of public works along conventional lines: The following table shows the value of Federal contracts awarded for new construction. It is not possible from the information available to determine the real proportion of cost furnished by the Federal Government. The fact that the work is covered by Federal contracts suggests that Federal participation is an important percentage of the total which also includes whatever proportion is furnished by owners, whoever they may be.

TABLE 2.—*Federal contract awards for new construction* [1]

1935	$1,478,073,000	1949	$2,174,203,000
1940	2,316,467,000	1950	2,805,214,000
1945	1,092,181,000	1951	4,201,939,000
1948	1,906,466,000	1952	4,420,908,000

Regardless of the degree of Federal participation in this work, the rising trend, even in years of high economic output, is obvious.

A less pronounced trend but a large volume of expenditure is shown in the following data.

Federal expenditures for public works [1]

1952 (actual)	$3,116,000,000
1953 (estimate)	3,419,000,000

[1] Statistical Abstract of the United States, 1953.

These data are sufficient to indicate the possibility, if not probability, of spending for public works on a grandiose scale. The fact that such spending would be accelerated when economic activity and governmental income are low would mean drastic increases in public debt which is now at extreme and dangerous levels. It is significant that the debt has not been reduced but is increasing even at the continuing high level of tax collections.

It is also well to remember that the cost of public works does not cease with the completion of the works. On the contrary, increased and continuing costs are sustained for operation and maintenance of the additional facilities. This is not to condemn or disapprove of reasonable and required expenditures to meet the normally growing needs of our increasing population.

[1] New York Times, Feb. 28, 1954.

(4) A program of nutrition: The suggestion for a Federal program of nutrition implied that about 40 percent of our population should be the beneficiaries of such a plan. It is scarcely conceivable that any such proportion of our people are or have been undernourished.

The Federal Government since 1936 has been participating in food distribution to institutions and welfare cases as well as to school-lunch programs. From 1936 to 1952, inclusive, the cost of these programs has been as follows:

TABLE 3.—*Federal food program* [1]

Institutional and welfare cases (direct distribution)	$306, 090, 000
School-lunch programs (direct distribution)	290, 330, 000
School-lunch programs (indemnity plan)	498, 909, 000
Total	1, 095, 329, 000

[1] Statistical Abstract of the United States, 1953.

(5) A program of public health: It was announced by the United States Public Health Service that in October 1952, the one-thousandth hospital had been completed under the Hospital and Construction Act. Since 1946, the Federal Government has contributed $500 million to this program. The Health Service announced that it had 800 additional projects underway or planned as of 1952. State and local governments have contributed about twice as much toward this work as the Federal Government.

The record of Federal budgetary expenditures for promotion of public health shows the following expenditures for the years indicated.

TABLE 4

1945	$186, 000, 000	1950	242, 000, 000
1946	173, 000, 000	1951	304, 000, 000
1947	146, 000, 000	1952	328, 000, 000
1948	139, 000, 000		
1949	171, 000, 000	Total	1, 689, 000, 000

At intervals, agitation is repeatedly renewed on the subject of publicly financed medical care.

Benefits under the various forms of social insurance and public assistance programs are increasing rapidly from year to year. Total payments made by Federal and State Governments are indicated herewith.

TABLE 5.—*Federal expenditures for social security and health* [1] *(excluding expenditures from promotion of public health as previously shown)*

1945	$802, 000, 000	1949	1, 672, 000, 000
1946	821, 000, 000	1950	1, 900, 000, 000
1947	1, 117, 000, 000	1951	1, 992, 000, 000
1948	1, 667, 000, 000	1952	2, 163, 000, 000

[1] Statistical Abstract of the United States, 1953 (p. 343).

Education: A program of Federal contributions to education was not included in the five classifications just previously discussed. Such participation has occurred and in some groups in rapidly increasing amounts.

Federal aid in vocational education includes expenditures in agricultural trade and industrial pursuits and in home economics and to some extent has been granted over a period of 30 years or more. The following totals apply to the years indicated:

TABLE 6.—*Federal expenditures for vocational education* [1]

1936	$9, 749, 000	1948	26, 200, 000
1940	20, 004, 000	1950	26, 623, 000
1944	19, 958, 000	1951	26, 685, 000

[1] Statistical Abstract of the United States, 1953 (p. 135).

Two other classes of educational expenditures are made by the Federal Government, one the large payments for the education of veterans which is now decreasing and the other much small but increasing expenditures for general education and research. These data are shown herewith:

TABLE 7.—*Federal educational expenditures* [1]

[In millions]

	Veterans' education	General purpose	Total
1945		$158	$158
1946	$351	85	436
1947	2,122	66	2,188
1948	2,506	65	2,571
1949	2,703	75	2,778
1950	2,596	123	2,719
1951	1,943	115	2,058
1952	1,326	171	1,497
Total	13,547	858	14,405

[1] Statistical Abstract of the United States, 1953 (p. 343).

Under the limitations of the law, the cost of veterans' education should continue to decline rapidly. If another war should ensue and the GI bill of rights be taken as a precedent, the cost of veterans' education would become a tremendous economic burden on the country. The former bill was passed without any consideration of the capacity of the educational system to absorb the greatly increased number of students. Chaotic conditions due to crowding existed in many educational institutions.

Still another form of tabulation of educational funds made available by the Federal Government is of interest. It pertains to funds allotted for 1951 and includes those made available to agricultural experiment stations and Cooperative Agricultural Extensions Service.

TABLE 8.—*Federal funds allotted for education for school year 1951* [1]

Administered by:	
Federal Security Agency	$171,720,000
Department of Agriculture	161,658,000
Veterans' Administration	2,120,216,000
Other	97,049,000
Total	2,550,643,000

[1] Statistical Abstract of the United States, 1953 (p. 137).

The trend of Federal educational expenditures, aside from those made for veterans' education is unquestionably upward. That further increases are urged, especially by those in the educational field, is illustrated by the following extract from the discussion by Alvin H. Hansen, Professor of Political Economy, Harvard University, before the meeting of the joint committee of the Senate and House on the President's economic report. This meeting was held on February 18, 1954. The quotation follows:

"There is no recognition of the fact, well known to everyone who has studied State and local finance, that the poorer States which contain nearly half of our children fall far short of decent educational standards; yet they spend more on education in relation to total income of their citizens than do the wealthier States. For this situation there is no solution except Federal Aid."

General comments: The foregoing evidence and discussion have been presented in an effort to show why the statement of revolution accomplished seems to be supported by the facts. That a continuation of the policies is probable seems apparent from the statistical trends as presented.

Quite regardless of the real propriety of this great and revolutionary departure from our former constitutional principles of government, a serious question must be raised about its effect on the future life of the Nation. Most of these new Federal objectives of expenditure have hitherto been accepted as lying within the province of the State and local governments. It is of course absurd to assume that aside from the printing press, the Federal Government has access to any greater supply of funds than exists within the States themselves. And yet greater funds are necessary when the Federal Government embarks upon all of these security and welfare activities. Each new or increased channel of

expenditure calls for additional bureaucratic control without any diminution of similar control by State and local governments. In fact, as will be shown the very conditions of distribution imposed by the Federal Government are apparently causing some similar increases in State and local governmental costs.

The tremendously high level of taxes and debt and the pressure for still higher debt limits and greater expenditures should convince any thoughtful and understanding people that danger is in the offing, that the public interest is not being well served, but on the contrary is being placed in jeopardy. Our obligation to posterity is apparently submerged in our sea of current self-interest.

The following discussion, with the aid of data and charts will show in both physical and financial terms the increasing burdens imposed on the populace by these governmental policies originating during the past twenty years.

Civilian employees in Government: The ensuing table shows the drastic increases in governmental civilian employees that have occurred since 1930. The peak was encountered in 1945 from which time there was a gradual reduction to 1948. Note the level of stability attained in 1948, 1949, and 1950 at 280 percent of the 1930 figure.

TABLE 9.—*Government civilian employee per 1,000 United States population*

	Federal	State and local	Total	Percentage of 1929		
				Federal	State and local	Total
1930	5.0	21.3	26.3	102	102	102
1940	8.2	24.3	32.5	168	117	127
1945	25.5	22.4	46.8	520	108	182
1948	14.1	25.8	39.9	288	124	155
1949	14.1	26.5	40.6	288	127	158
1950	13.8	27.1	40.9	282	130	159
1951	16.0	26.7	42.7	327	128	165
1952	16.6	26.9	43.5	339	129	169
1953	16.2	27.2	43.4	331	131	169

Note that Federal civilian employees are now over three times as numerous in proportion to the total population as they were in 1929 while State and local employees are about one-third greater. For government as a whole, the civilian employees per capita of total population have increased nearly 70 percent over those of 1929.

These trends are shown graphically on charts 1 and 2 and the supporting data as they exist for the period from 1900 to 1953 on the accompanying data sheet 1.

Because governmental employees have no part in the production of economic goods and on the contrary must be supported by those who do, it will be informative to show the comparison between governmental civilian employees and the nongovernmental labor force. This comparison is shown in table 10 herewith:

TABLE 10.—*Government civilian employees versus other civilian employees*

	Total government	Other than government	Government civilian employees per 100 other employees	
			Actual	Percent of 1929
	Millions	*Millions*		
1930	3.15	46.1	6.7	100
1940	4.19	51.4	8.2	122
1945	5.97	47.9	12.5	187
1950	5.99	57.1	10.5	157
1951	6.37	56.5	11.3	169
1952	6.63	56.4	11.8	176
1953	6.67	56.7	11.8	176

These data show that as of 1953 there were virtually 12 Government employees for every 100 other workers, excluding all military forces. The increase since 1930 has been 76 percent. From the economic standpoint a parasitic load of 12 employees for every 100 others is quite a burden to bear.

The military forces of the United States have purposely been omitted from consideration in the two foregoing tables. It is of interest to note, however, that the inclusion of these military forces for the years 1951 and 1952 respectively would show 16.7 and 18.2 total governmental employees that must be supported by each 100 other workers in the United States. Indeed a heavy load.

Trends for all years from 1929 to 1953 are shown on chart 3 and in the accompanying data sheet 2.

It should be noted that the trends for the years 1948–53 shown on charts 1, 2, and 3 are continuations of the upward trends which began in the early 1930's and show no indication of change. Here in physical rather than financial terms is evidence of the "revolution" mentioned in the beginning of this report. This observation will be confirmed by still another instance of expansion measured by the increase in the number of departments and agencies in the executive branch of the Federal Government. These data apply only to major groups and not to their recognized subdivisions or components.

TABLE 11.—*Departments and agencies in the executive branch*

1926	31	1930	37	1952	69
1927	31	1940	47	1953	69
1928	31	1950	61		
1929	31	1951	69		

The data which follow will measure the increased operations in financial terms.

Federal receipts and expenditures: The ensuing as well as the foregoing data are shown upon a per capita basis rather than in totals only as it is to be expected that total expenditures and taxes will normally rise as the population increases. An increase on a per capita basis calls for analysis and explanation.

In the following table a comparison is shown on both a total and a per capita basis between Federal receipts and expenditures. The term "receipts" naturally includes income from all forms of taxation including income, capital gains, excises, customs, etc.

TABLE 12.—*Ordinary Federal receipts and expenditures*

	In billions		Revenue per capita	Expenditures per capita
	Revenue	Expenditures		
1930	$4.178	$3.440	$33.90	$27.95
1940	5.265	9.183	40.00	69.60
1945	44.762	98.703	320.50	706.80
1948	42.211	33.791	288.00	231.00
1949	38.246	40.057	256.50	268.20
1950	37.045	40.167	245.00	265.00
1951	48.143	44.633	311.80	289.00
1952	62.129	66.145	396.00	421.00
1953	65.218	74.607	410.00	466.50

These data in per capital trends since 1900 are shown graphically on chart 4. As in the prior tables, there is no evidence of a declining trend in the actual data.

Federal, State, and local taxes: Further light is thrown on tax trends by comparing increases in population and taxes since 1930. This information is given in table 13.

TABLE 13.—*Comparative increases in taxes and population excluding social security taxes* [1]

[In millions]

	Population	Federal taxes	State and local taxes	Percentage of 1929		
				Population	Federal taxes	State and local taxes
1930	123.1	$3,517	$6,798	101.2	105.1	105.7
1940	131.8	4,921	7,997	108.5	147.6	124.4
1945	139.6	40,989	9,193	115.0	1,228.0	143.0
1948	146.6	37,636	13,342	120.7	1,129.0	207.5
1949	149.1	35,590	14,790	122.1	1,066.0	230.0
1950	151.1	34,955	15,914	124.4	1,049.0	247.5
1951	154.4	45,984	17,554	127.0	1,378.0	273.0
1952	157.0	59,535		129.1	1,785.0	
1953	159.7	62,656		131.3	1,878.0	

[1] Except portion used for administrative social security costs.

Maximum activity in the Korean war occurred in 1952 and in World War II in 1945. Despite the relatively smaller operation represented by the Korean war, Federal taxes in 1952 were 45 percent greater than in 1945. In the meantime the Federal debt has not been decreased but is rising and pressure for higher debt limit has not been removed. The reasons for some of this great increase have been indicated in the prior tables.

Annual data including those shown in table 13 for the period from 1916 to 1951 are given in data sheet 3 and are shown graphically on chart 5. The striking comparison between the increases of Federal taxation and of State and local taxation and of both in comparison with the increase of population justifies some comment on the difference. Obviously State and local taxation by 1951 had increased 173 percent since 1929 while population has increased but 54 percent.

Federal taxation in the same time has increased 1,278 percent or nearly 13 times with no decrease in Federal debt and strong prospects of further increase. The postwar trend merely continues that established before World War II, although it is of course higher than it would have been had the war not occurred.

On the other hand tables 9 and 10 and charts 1, 2 and 3 indicate conclusively that civilian employees in Government show an increasing trend, particularly in the Federal Government since the early thirties. This measure is quite independent of continuing financial increases due to costs introduced by war.

It seems natural to assume that real "welfare" needs should be most apparent in the localities where they exist and that State and local taxes would show a responsive trend. The fact that such "on-the-spot" trends are but a fraction of the Federal trends may indicate the correctness of the early statement that the revolution "could only be achieved through carefully coordinated effort by a relatively small group centered at policy making levels," a group possibly composed of "politicians, college professors and lawyers" as quoted in the first paragraph. The comparison also warrants the inference that local control of spending and taxes is more effective than remote control which impairs both knowledge and understanding.

Taxes as a percentage of national income: It will be of informative value to show the trend of taxes as a percentage of national income which provides the fund out of which taxes must be paid. The following table for the years shown will indicate such percentage and the trend.

TABLE 14.—*National income versus total Federal, State, and local taxes in billions by calendar years*

	National income	Total taxes	Taxes as percent of income
1929	$87.4	$10.30	11.8
1930	75.0	9.77	13.0
1940	81.3	16.95	20.9
1945	182.7	52.52	28.7
1948	223.5	58.10	26.0
1949	216.3	54.93	25.4
1950	250.6	67.75	28.2
1951	278.4	84.56	30.4

Taxes as a percent of national income increased from 11.8 in 1929 to 30.4 in 1951. In other words, the tax bite took 18.6 cents or 158 percent more out of the income dollar in 1951 than it did in 1929, a prosperous though shaky year. This is another illustration of the effect on private income caused by the expanding activities of Government.

Government debt and national income: It might be expected that the increasing percentage of national income that is taken in taxes would result in some reduction of the national debt. It is now 8½ years since the close of World War II. Taxes have been increasing but so has the debt which is now pushing through its legal ceiling. The difficulty in visualizing the relationships between debt, income, and population when all are changing makes it advisable to express income and debt in terms of the population. This has been done in the following table wherein both are expressed in terms of the family as a unit because it has more personal significance than a per capita basis.

TABLE 15.—*National income and national debt per family*

	National income (billions)	Number families (millions)	National income per family	Federal debt per family
1929	$87.4	29.40	$2,972	$576
1930	75.0	29.90	2,510	542
1940	81.3	34.95	2,325	1,230
1945	182.7	37.50	4,870	6,900
1948	223.5	40.72	5,490	6,200
1949	216.3	42.11	5,140	6,000
1950	240.6	43.47	5,530	5,930
1951	278.4	44.56	6,250	5,750
1952	291.6	45.46	6,415	5,700
1953 [1]	306.0	47.50	6,440	5,600

[1] Estimated.

National income per family increased 250 percent in current dollars while the Federal debt per family increased 855 percent.

The foregoing data in decennial terms from 1900 to 1930 and in annual terms from 1929 to 1953 are shown on data sheet 6 and income and debt per family on chart 7.

The amount of debt overhanging a nation has a tremendous influence on that nation's solvency and therefore its stability under impact caused either by economic depression or additional forced expenditures to relieve depression or to prosecute another war. It has been stated many times that we as a Nation were in a vulnerable debt or credit condition when the collapse began in 1929. It will therefore be interesting to compare the conditions of 1929 with those of the present and of the time intervening.

Again, the comparisons will be upon a per-family basis and will show the changes in total private debt including corporate debt and total public debt compared with national income per family. The data follow in the next table:

TABLE 16.—*Comparative debt and income per family*

	Private debt	Total public and private debt	National income per family
1929	$5,500	$6,500	$2,972
1930	5,380	6,400	2,510
1940	3,700	5,460	2,325
1945	3,755	10,860	4,870
1948	4,975	10,690	5,490
1949	4,985	10,600	5,140
1950	5,670	11,180	5,530
1951	6,230	11,650	6,250

While the total debt per family has nearly doubled, national income has somewhat more than kept pace with it. The disturbing factor from the standpoint of Federal financial stability is the fact that in the interval from 1929 to 1951, the Federal proportion of the total debt has increased from 15 to 46.5 percent.

The foregoing data in annual terms from 1929 to 1951 are given in data sheet 7 while the trends of private debt and total debt are shown on chart 8.

Gross national product: It is contended by some that internal Federal debt is of little importance and that no attempt should be made to place a ceiling upon it. Rather is it argued that an increase in public debt will be a needed stimulant to keep national production in step with our expanding population. It has also been argued as a part of this philosophy that the only safeguarding thing to watch is the ratio between national debt and gross national product and that the ratio now existing will provide a safe guide in such control. It will be of value to examine these factors in the light of these claims.

Gross national product may be defined as the total value of all goods and services produced in a period of time and usually valued in terms of current prices. It does not include allowances for capital consumption such as depletion, depreciation, and certain other adjustments. Efforts have been made to compute the value of gross national product at intervals over many years past. Gross national product has been tabulated for each year since 1929. The comparative data on gross national product and national debt are shown in table 17.

TABLE 17.—*Gross national product and national debt values in billions*

	Gross national product at current prices	Federal debt	Gross national product at 1929 prices [1]
1929	$103.8	$16.9	$103.8
1930	90.9	16.2	93.4
1940	101.4	48.5	124.0
1945	215.2	259.1	205.0
1948	259.0	252.4	184.6
1949	258.2	252.8	186.0
1950	286.8	257.4	205.2
1951	329.8	255.3	217.0
1952	348.0	259.2	223.5
1953	[2] 366.0	266.1	234.0

[1] Consumer's prices.
[2] Estimated.

At current prices, gross national product increased 252 percent between 1929 and 1953 but at constant prices the increase was 125 percent. In the same interval Federal debt increased 1475 percent in current prices. It is this increase in Federal debt which in this recent philosophy is of no practical significance. The measure of control under this theory is the ratio between debt and gross national product.

Data in the foregoing table are shown from 1900 to date in data sheet 8—trend values only for 1900 to 1920. This information is shown in chart form on Chart 9. The dotted line shows what gross national product would have been at constant prices, in this case at consumers' prices of 1929, a year of high-level production. The lightly shaded area between the adjusted and unadjusted values after 1943 shows the inflationary spread due to postwar rising prices or in other words to the increased cost of living. A still greater area of inflation must be expected if the dollar is weakened by increasing Federal expenditures and debt.

Ratio of Federal debt to gross national product: Since, as has been previously mentioned, the ratio between Federal debt and gross national product has been suggested as an effective measure of control in the prevention of excessive debt, it will be well to observe the values of this ratio for a period of time embracing widely varying conditions in our national economy.

It will also be informative to show the effect of these policies of great Federal expenditure and high taxes on citizens' personal income after taxes as it relates to gross national product. This latter division of income is known as disposable personal income and together with its ratio to gross national product is shown in the following table:

TABLE 18.—*Gross national product, Federal debt and disposable personal income*

[Values in billions of current dollars]

	National product	Federal debt	Disposable personal income	Percent Federal debt, gross national product	Percent disposable personal income, gross national product
1929	$103.8	$16.9	$82.5	16.3	79.4
1930	90.9	16.2	73.7	17.8	81.0
1940	101.4	48.5	75.7	47.8	74.7
1945	215.2	259.1	151.1	120.5	70.2
1948	259.0	252.4	188.4	97.5	72.7
1949	258.2	252.8	187.2	97.9	72.5
1950	286.8	257.4	205.8	89.8	76.7
1951	329.8	255.3	225.0	77.5	68.2
1952	348.0	259.2	235.0	74.5	67.5
1953 [1]	366.0	266.1	250.0	72.7	68.3

[1] Estimated.

It is apparent from the data that Federal debt increased from 16 percent of gross national product in 1929 to 73 percent in 1953. In the same period the citizens' share of their own income available for their own purposes declined from 79 to 68 percent of gross national product. This declining percentage of gross national product left to the consumer himself will be particularly noticeable when business volume declines to a more nearly normal level. This sacrifice has been made without any reduction in the total debt level. This is due largely to the Federal Government's increasing participation in what might be termed extracurricular activities based upon the conception of government defined in the Constitution and previously followed during our unprecedented rise in economic status.

The data in table 18 are shown in extended form since 1900 in data sheet 9 and on chart 10. The chart clearly indicates the tremendous change that has occurred in this ratio between Federal debt and gross national product. From 1900 to 1916 there was a steady decline in the ratio which averaged only 4.4 percent for the period. This means that the citizen was realizing a larger and larger percentage of his earnings for his own needs and desires.

The effect of debt arising in World War I is apparent in the increased ratio, but following the peak in 1921 there was a gradual decline to 16.3 percent in 1929 when the upward climb began again. Beginning in 1948, 3 years after the

end of World War II and 2 years before the Korean war, the Federal debt again began to climb.

The decline in ratio since 1948 is caused entirely by the abnormally high output of economic goods in terms of both volume and price and not by a decline in the debt level. This distinction is important. Gross national product is the arithmetical product of price multiplied by physical volume. Physical volume lately has been abnormally high because extensive military rearmament has been underway since World War II, not only for ourselves but for other nations.

Physical volume was also increased by certain relief measures and military aid for other countries and production to meet domestic demand deferred by World War II. In addition, prices have risen 49 percent since 1945. The point to be emphasized is that the physical volume of output for the period since 1940 has been abnormally high due to production for war and its waste and for demand deferred from wartime. Without another war we cannot hope to maintain this physical output regardless of what happens to prices and it should not be considered a function of Government to try it.

Disposable personal income: The citizen's reduced share of his own personal income as a percentage of the goods and services he creates is also portrayed on chart 10. The declining trend shown in table 18 is clearly defined on the chart. The trend was even more sharply downward prior to 1943 when wartime output increased greatly and to be continued, as previously mentioned, by renewed abnormal production for military purposes and deferred civilian demand.

The larger the share of production and its value absorbed by Government, the less the citizen has for his own choice of expenditures. The following data are taken from the Economic Report of the President for 1954.

TABLE 19.—*Percentage of gross national product, personal versus governmental purchases*

Year	Personal consumption expenditure	Total Government purchases
	Percent	*Percent*
1930	78.0	10.1
1947	71.0	12.3
1948	68.7	14.1
1949	69.9	16.9
1950	67.9	14.6
1951	63.1	19.1
1952	62.7	22.3
1953 [1]	62.6	22.7

[1] Estimates.

Here indeed in the declining share of his own output that is allotted to him is one result of the revolution at work.

The extraordinary expenditures of Government beginning in the early thirties are continuing with increasing volume.

Changes in post war policies: Changes in governmental policy with respect to expanding participation in and control of our economic activities has been repeatedly emphasized in this study. Further light on these policies and their effect may be shown by reference to the long-term history of prices in this country. On chart 11, the trend of wholesale commodity prices [2] in terms of 1910–14 as 100 percent are charted. Two outstanding features of this long-term trend are obvious at once:

1. The great price peaks that occur as a result of war.
2. Even in annual terms there is no such thing as price stability or normal prices.

A glance at the chart and consideration of the continuous change in the price level should suggest the impossibility of price stabilization by the Government. Complete regulation of all things economic within the country and complete insulation from all influences from without would be essential. Manifestly this is impossible. The payment of subsidy, as in agriculture, is to admit the impossibility of price control and to continue subsidy is to encourage excess production and high governmental expenditure with its evil results.

[2] Data for 1800–1933 from Gold and Prices by Warren and Pearson. Data for 1934 to date derived from Statistics by U. S. Department of Labor.

Without war the great price peaks with their resultant periods of chaos would not occur. With war, they may be temporarily distorted or deferred but the effects of abnormal war conditions cannot be permanently averted. One of the unavoidable features of war is that the cost must be paid in full in one way or another. There is no relief from this.

The great price recessions following the War of 1812, the Civil War, and World War I are typical of those which have occurred throughout history in other countries after major wars. It has now been over 8 years since hostilities ceased in World War II. Within 8 years following the close of hostilities in the prior wars mentioned, price declines from the peak values were as follows:

TABLE 20.—*Price declines 8 years after war*

	Percent
War of 1812	42
Civil War	33
World War I	35
World War II	3.7

The depreciation of the dollar in terms of gold in 1934 would prevent an ultimate decline of prices to the low levels following earlier wars. The closer price control in effect during World War II retarded the price increase and the advent of the Korean war has helped to sustain if not to increase the latest price peak.

Present policy seems to be to prevent any such decline as we have sustained after past wars. Painful and disturbing as they were, these past declines at least resulted in paying much of the cost of the war in money of approximately the same value as that which was borrowed for its prosecution, and that except for the duration of the price peaks, those who depended upon fixed income for their living expenses were not permanently deprived of much of their purchasing power.

The new economic and debt policies seem to be designed in an effort to maintain productive activity and prices at or near the present plateau. The deluge of complaints that flow forth when a small decline from the recent peak occurs seems to indicate an unwillingness and lack of courage to face the responsibilities for our actions. This tendency is not limited to any one class or group in our citizenry. This softening of character is probably to be expected as a result of the protective and paternalistic atitude and activities assumed by Government in recent years. This may be due largely to an increased emphasis on expediency rather than to a lessening of integrity, or it may be due to both. Be that as it may, the continuation of the new philosophy will mean the retention of high-debt levels, high governmental expenses, and a high cost of living. It is important not only to balance the Federal budget but to balance it at a lower level of cost. There is no margin of safety in the advent of a serious depression or of a new war.

This is a most important point from the standpoint of public interest. In the event of a depression, Government income will drop far more rapidly than the volume of business declines. Government expenses will not decline but will increase greatly if they "remain a significant sustaining factor in the economy" as stated in the President's Economic Report. This means additional deficit financing of large magnitude and therefore increasing public debt to unmanageable proportions.

The possibility of this coming to pass is indicated by the National Resources Planning Board in a pamphlet of its issue under the title, "Full Employment Security—Building America," The Board asks:

1. What policies should determine the proportion of required Government outlay which should be met by taxation and by borrowing?
2. What special methods of financing, such as non-interest-bearing notes, might be used?

What are the non-interest-bearing notes to which reference is made? This is merely a euphonious term for paper money, a product of the printing press. But this paper money is also a debt of the nation. The various denominations of paper money are non-interest-bearing demand notes, payable by the Government to the holders on demand by them. The phraseology on the notes indicates this and the Supreme Court has so held:

In the case of *Bank* v. *Supervisors* (7 Wall., 31), Chief Justice Chase says:

"But on the other hand it is equally clear that these notes are obligations of the United States. Their name imports obligations. Every one of them expresses upon its face an engagement of the Nation to pay the bearer a certain sum. The dollar note is an engagement to pay a dollar, and the dollar intended is the

coined dollar of the United States, a certain quantity in weight and fineness of gold or silver, authenticated as such by the stamp of the Government. No other dollars had before been recognized by the legislation of the National Government as lawful money."

And in 12 Wallace, 560, Justice Bradley says:

"No one supposes that these Government certificates are never to be paid; that the day of specie payments is never to return. And it matters not in what form they are issues _____. Through whatever changes they pass, their ultimate destiny is to be paid."

In commenting upon these decisions Senator John Sherman said in the Senate of the United States:

"Thus then, it is settled that this note is not a dollar but a debt due."

Aside from the fact that paper money outstanding is strictly speaking a debt of the Nation, the importance of the non-interest-bearing note question raised by the National Resources Planning Board lies in the threat of greatly increased supply of paper money. The effect of such action if taken will be a renewed stimulation of drastic inflation with all its evil results.

Based upon the most reliable data available [3] our margin of national solvency is rather small. According to these figures the total debt of all forms, public and private, in the United States was 86.5 percent of the total wealth, public and private, in the country in 1944. Since 1944, prices have risen due to inflation, generally from 40 to 50 percent.

In terms of current prices, this raises the value of national wealth. For this reason and because the total debt of the country, public and private, increased only about one-third as much as prices, the ratio of debt to wealth as of 1948 had dropped to 63 percent. While later data are not available, the comparative increases in prices and debt by the end of 1951 lead to the conclusion that this ratio of debt to wealth may be somewhat higher at the present time. In 1929, the debt-wealth ratio was 51 percent. In the interval from 1929 to 1948 the ratio of Federal debt to national income (from which debt is paid) increased from 4 to 32 percent. The influence of public debt on the integrity of money values is far greater than the influence of private debt can possibly be.

If income goes down and debt goes up there will be a double adverse leverage on the debt situation as measured by the ability to pay. If increased Federal expenditures fail to work in stemming the depression, the situation will be loaded with inflationary dynamite to the permanent detriment of all of us. The present high level of prices is quite a springboard from which to take off.

Industrial production in the United States: Industrial activity is of overwhelming importance in the economic life of the Nation. On chart 12 is shown in graphic form a measure of this activity year by year since 1900. The smooth line marked "calculated normal trend" was computed from two long series of data and is based on the period from 1898 through 1940. The rising trend is based on the increase in population from 1900 through 1953 and the annual rise in productivity due to increased efficiency from 1898 to 1941. With this trend as a starting point, the data made available monthly by the Cleveland Trust Co. were used to compute the total production as shown. The Cleveland Trust Co. is in no way responsible for the index values of total production as shown on the chart. The dotted line shows the corresponding index as published by the Federal Reserve Board.

Except for the war years, the agreement between these two series is close. The disagreement during the war period is possibly due to the inclusion by the Federal Reserve Board of certain labor-hour data in computing physical output—a method not followed by the Cleveland Trust Co.

The long-sustained upward progression in our productivity is a testimonial to the industry and technical ability of our people. The increasing output in terms of both efficiency and volume is the only source of our high and continued rise in standard of living. It shows no abatement. The temporary interruptions we call depressions are deviations from trends and are to be expected until we recognize their causes and if possible counteract them.

The significant part of the long-term trend at this time is from 1940 to date. Since 1940, industrial output has been accelerated far beyond normal peacetime requirements by the wasteful consumption and demand created by war. This was followed by a resurgence of civilian demand composed of new and deferred replacement needs. Before this was satisfied new military preparations were resumed and the Korean war began.

[3] See vol. 14 of Studies in Income and Wealth by National Bureau of Economic Research, 1951.

Only with the stoppage of hostilities in that area has demand begun to slacken although it is still fortified by continued production of munitions for war, some of which we still supply to other countries. This sustained abnormal production is evident on chart 12. Some of the more optimistic interpretations of these characteristics are inclined to consider that we have embarked upon a new and steeper trend to be traced from the beginning of recovery in the thirties to the present time.

Obviously, the assumption that this is a normal trend discounts completely the abnormally low starting point at the bottom of the depression and the causes for the sustained bulge previously mentioned. It also assumes an increase in productive efficiency that is not warranted by the facts. For years, the annual increase due to improving productivity has been approximately 3 percent.

An increase to 3.5 percent would mean an overall improvement of 17 percent in productivity accomplished almost overnight. During the wartime portion of this period great numbers of unskilled employees were engaged in productive work and many overtime hours were also utilized. Both of these factors reduce output per employee hour. Furthermore, the increasing practice of sharing the work and of limitations of output by labor unions have tended to offset what would otherwise mean further gains in productivity.

The reason for the discussion of this point is the emphasis placed on the conclusion that the level of output since 1940 is abnormal unless we assume that war and preparation for war are normal and that the great deferred demand for housing, clothing, automobiles, and other articles was nonexistent.

For the Government to attempt to offset a return to normal peacetime levels of output is to force a return to deficit financing on such a scale as to endanger seriously the present value of the dollar. Then would follow further increases in the cost of living and to the extent that it would occur, a further repudiation of public debt.

Conclusions: The 20-year record of expanding Federal expenditures for housing, slum clearance, public works, nutrition, public health, social security, education, and agricultural support clearly outlines the course of Federal procedure. The great and increasing expenditures for the purposes just listed have been made not in a period of declining output or depression, but simultaneously with and in further stimulation of the greatest output in our history. This undue and unwise stimulation, when output was already high, will make a return to normal conditions additionally hard to bear or to prevent if Federal expenditure is used for this purpose. The designation of "welfare state" seems to be well earned under the developments of recent years. Perhaps the philosophy behind it might be summarized in a remark made by Justice William O. Douglas in a speech made in Los Angeles in February 1949.

The sound direction of the countermovement to communism in the democracies—is the creation of the human welfare state—the great political invention of the 20th century."

Of course, this is not an invention of the 20th century. It was, for example, practiced by ancient Greece and Rome to their great disadvantage.

It would seem to be countering communism by surrendering to it, wherein the state assumes the ascendancy over the individual and the responsibility for his personal welfare and security. It would seem more courageous and forthright for the Government to cease the cultivation of clamoring minorities, for those minorities to stop demanding special favor in their behalf and for the Nation as a whole to maintain its integrity by its willingness to pay the cost of its deeds and misdeeds. Public interest many times requires the suppression of self-interest and under our Constitution requires the maintenance of the Nation intact for posterity.

Early in this study, there were listed the five channels of increased Federal expenditure which the proponents of the welfare activities of Government suggested. In tables 1 to 8 are listed the growing expenditures of the Government under these classifications. The viewpoint that these activities are not in accordance with our constitutional provisions is supported in principle by the following opinions of the Supreme Court Justices quoted:

"There can be no lawful tax which is not laid for a public purpose." (Justice Miller, 20 Wallace 655; 1874); and again:

"Tax—as used in the Constitution, signifies an exaction for the support of the Government. The word has never been thought to connote expropriation of money from one group for the benefit of another." (Justice Roberts, *United States* v. *Butler* (297 US; 1936).)

It is the departure from these long-standing principles that in a large measure is the "revolution" which its proponents are announcing and endorsing.

Power travels with money. It is not feasible for the Federal Government to assume the responsibility for collecting or printing money and for doling it out to State and local governments and their citizens without imposing the conditions upon which it will be spent. Thus by indirection Federal power will grow and insidiously penetrate the areas reserved by the Constitution to the States and their citizens.

Former Supreme Court Justice and Secretary of State James F. Byrnes, now Governor of South Carolina has said:

We are going down the road to statism. Where we will wind up no one can tell, but if some of the new programs should be adopted, there is danger that the individual—whether farmer, worker, manufacturer, lawyer or doctor—will soon be an economic slave pulling an oar in the galley of the state.

The increasing confiscation of income through the power to tax, confirms the thought expressed by Mr. Byrnes. We are on the road and it runs downhill. The evidence is strong.

Abraham Lincoln once expressed his convictions on this relationship in the following words:

"The maintenance inviolate of the rights of the states, and especially the right of each state to order and control its own domestic institutions, according to its own judgment exclusively, is essential to the balance of powers on which the perfection and endurance of our political fabric depend."

The conviction persists that the increasing welfare activities in which the Federal Government has been engaged for 20 years can only come to some such end as previously suggested if they are continued. It also seems certain that heavy Federal expenditures to counteract a depression will prove ineffective. Those important industries whose decline leads us into a depression are the ones whose expansion should take us out of it.

An increase in road building will not put idle automobile mechanics back to work, nor will a rash of public building construction or alleviation of mortgage terms send unemployed textile workers back to their spindles and looms. Proposed governmental measures will not be successful because they do not strike at the causes of the trouble they seek to cure. After all, these same things were tried in the long depression of the thirties without success. Pump priming did not pay.

There is no thought or conclusion to be derived from this study that Government has no responsibility in meeting the extraordinary conditions imposed by crises due to financial or other causes. In the "arsenal of weapons" as mentioned in the Economic Report of the President are certain responsibilities and procedures available for use as the need may develop. Undoubtedly, the most important of these, implicit even if not specifically mentioned, is the maintenance of the integrity and value of our money and of our credit system. The ventures into "revolutionary" and socialistic fields of expenditure and especially in expanding volume to stem a depression will be hazardous to and in conflict with this major responsibility.

These two conceptions are completely antagonistic especially because our tax and debt levels are so high as to leave little or no margin of financial safety. Our recurring "crises" have been utilized in accelerating the progress of the "revolution" which we are undergoing. A further depreciation of our currency value would provide opportunity for additional acceleration in the same direction.

In The New Philosophy of Public Debt, Mr. Harold G. Moulton, president of the Brookings Institution, says:

"The preservation of fiscal stability is indispensable to the maintenance of monetary stability * * *. It is indispensable to the prevention of inflation with its distorting effects on the price and wage structure, and thus to the maintenance of social and political stability."

As someone has said, "What the government gives away, it takes away," and this is true even if it comes from the printing presses.

Perhaps this study can be closed in no better manner than to quote from a statement[4] by Mr. Dwight D. Eisenhower while president of Columbia University:

"I firmly believe that the army of persons who urge greater and greater centralization of authority and greater and greater dependence upon the Federal Treasury are really more dangerous to our form of government than any external threat that can possibly be arrayed against us."

[4] Dwight D. Eisenhower, in letter to Ralph W. Gwinn, dated Columbia University, New York, June 7, 1949, in opposition to a general Federal-aid-to-education program. (Congressional Record, 81st Cong., 1st sess., vol. 95, p. 14, p. A3690.)

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DATA SHEET 1, CHART 1

Government civilian employees

	Federal employees per 1,000 population	State and local employees per 1,000 population	Total Government employees per 1,000 population	Federal	State and local	Total
1901	3.3					
1902						
1903	3.7					
1904						
1905	4.2					
1906						
1907	4.1					
1908						
1909	4.1					
1910						
1911	4.0					
1912						
1913	4.6					
1914						
1915	4.6					
1916	4.3					
1917						
1918	8.8					
1919						
1920	6.5					
1921	5.5					
1922	5.1					
1923	4.9					
1924	4.9					
1925	4.9					
1926	4.8					
1927	4.7					
1928	4.8					
1929	4.9	20.8	25.7	100.0	100.0	100.0
1930	5.0	21.3	26.3	102.0	102.4	102.3
1931	5.0	21.8	26.8	102.0	104.8	104.2
1932	5.0	21.4	26.4	102.0	102.8	102.7
1933	5.0	20.6	25.6	102.0	99.1	99.4
1934	5.7	20.9	26.6	116.4	100.5	103.5
1935	6.4	21.4	27.8	130.6	102.8	108.1
1936	7.0	23.3	30.0	142.9	112.0	116.6
1937	7.0	22.7	29.7	142.9	109.1	115.5
1938	6.9	23.5	30.4	141.0	112.9	117.5
1939	7.4	23.6	31.0	151.0	113.4	120.6
1940	8.2	24.3	32.5	167.5	116.8	126.5
1941	10.8	24.9	35.7	220.5	119.6	138.9
1942	16.6	24.3	40.9	339.0	116.8	159.1
1943	23.2	23.2	46.4	473.5	111.5	180.5
1944	24.2	22.6	46.8	494.0	108.6	182.0
1945	25.5	22.4	46.8	520.0	107.6	182.0
1946	19.1	23.7	42.8	390.0	113.9	166.5
1947	15.0	25.0	40.0	306.2	120.1	155.6
1948	14.1	25.8	39.9	288.0	124.0	155.2
1949	14.1	26.5	40.6	288.0	127.4	158.0
1950	13.8	27.1	40.9	281.8	130.2	159.1
1951	16.0	26.7	42.7	326.5	128.3	165.2
1952	16.6	26.9	43.5	339.0	129.3	169.2
1953	16.2	27.2	43.4	330.8	130.7	168.8

NOTE.—Indexes, 1929=100. Not charted.

Source: Data on governmental employment from Statistical Abstract of the United States, 1953. Federal employment, table 404, p. 379, State and local employment, table 424, p. 393.

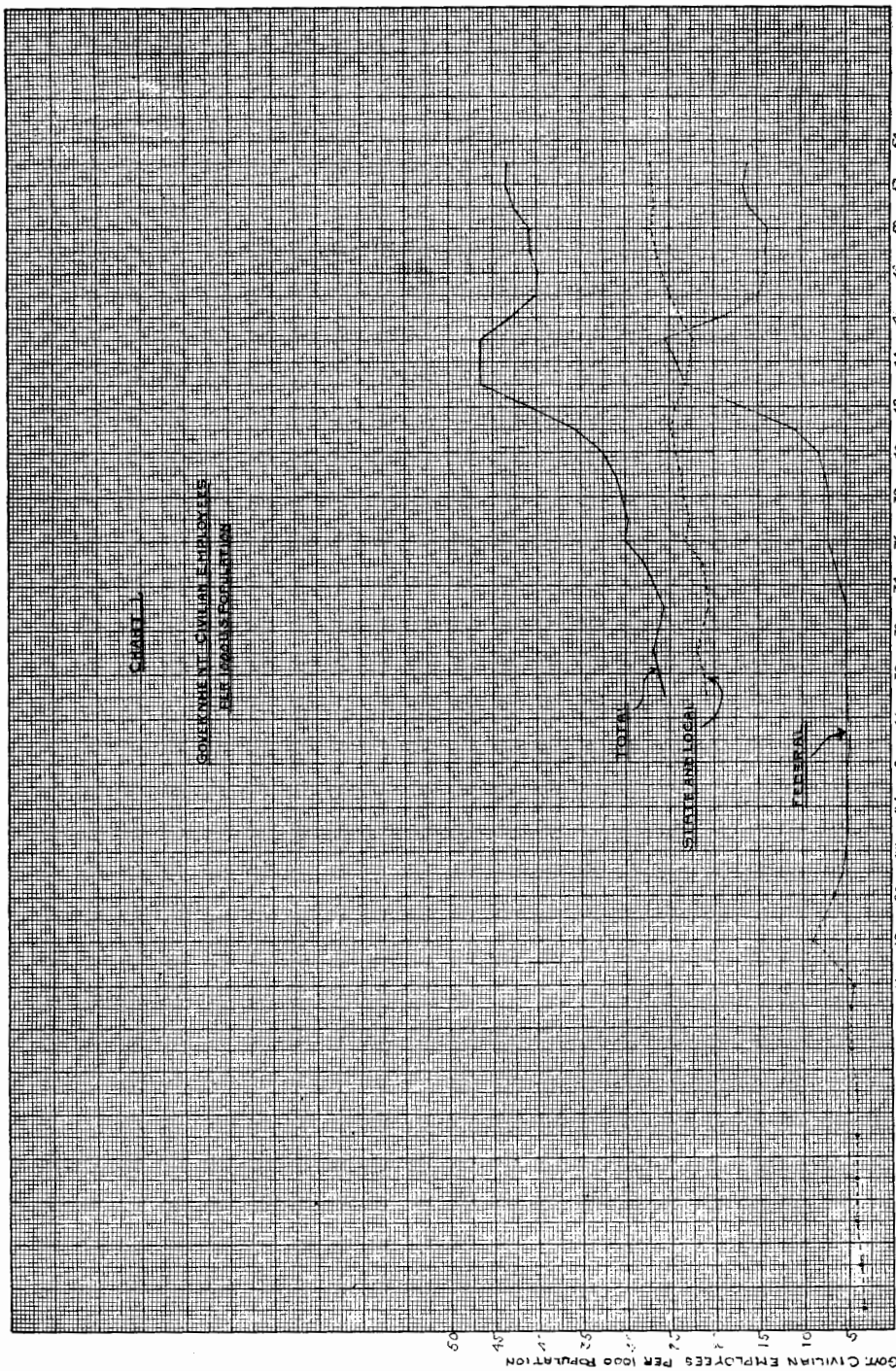


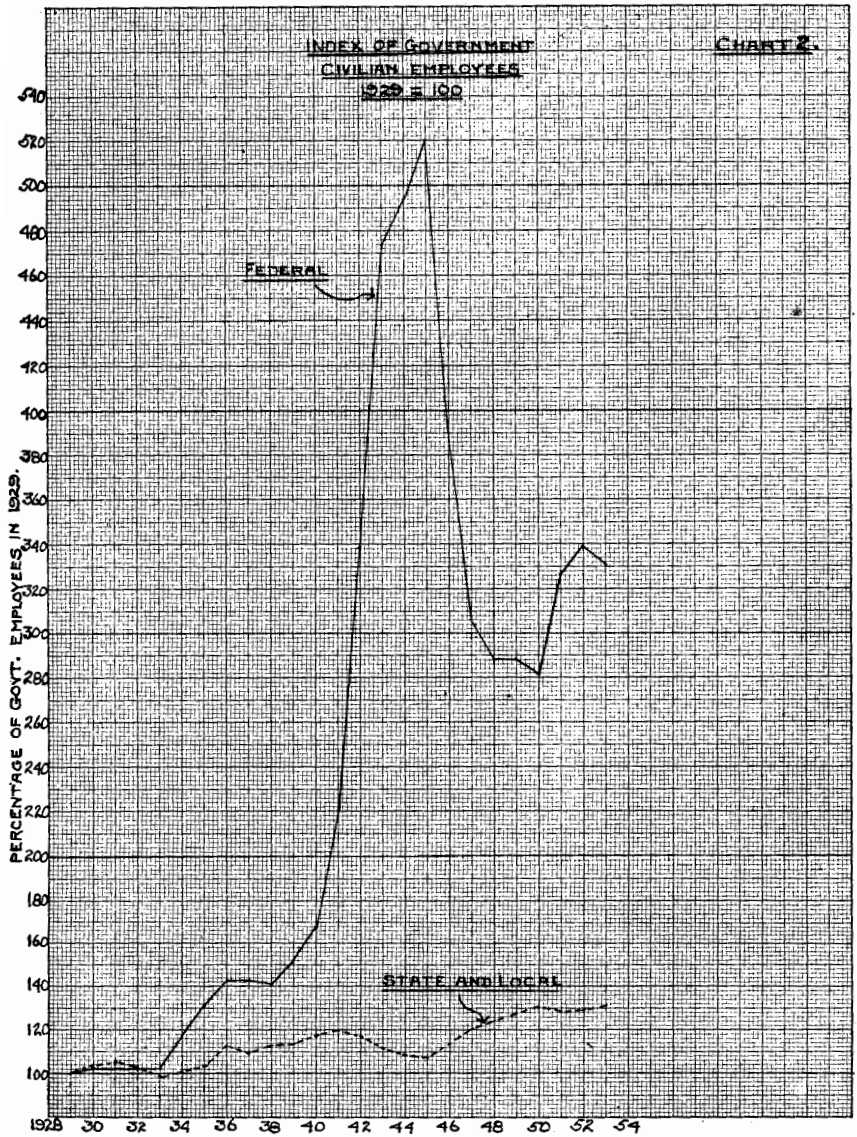
CHART 3
GOVERNMENT CIVILIAN EMPLOYEES
PER 1000 POPULATION
GOVT CIVILIAN EMPLOYEES PER 1000 POPULATION
TOTAL
STATE AND LOCAL
FEDERAL
1900
02
04
06
08
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48
50
52
54
5
10
15
20
25
30
35
40
45
50

DATA SHEET 2, CHART 2 AND CHART 3

Government civilian employees compared with other civilian employees

	In millions			Government employees per 100 other employees	Percent of 1929
	Total civilian labor force	Total civilian Government employees	Labor force other than Government		
1929	49.2	3.7	46.1	6.7	100.0
1930	49.8	3.1	46.7	6.7	100.0
1931	50.4	3.3	47.1	6.9	103.0
1932	51.0	3.2	47.8	6.3	94.0
1933	51.6	3.2	48.4	6.5	97.0
1934	52.2	3.3	48.9	6.7	100.0
1935	52.9	3.5	49.4	7.0	104.5
1936	53.4	3.7	49.7	7.4	110.4
1937	54.0	3.7	50.3	7.5	111.9
1938	54.6	3.9	50.7	7.6	113.4
1939	55.2	4.0	51.2	7.8	116.4
1940	55.6	4.2	51.4	8.2	122.4
1941	55.9	4.6	51.3	9.0	134.3
1942	56.4	5.4	51.0	10.6	158.1
1943	55.5	6.0	49.5	12.2	182.0
1944	54.6	6.0	48.6	12.4	185.0
1945	53.9	6.0	47.9	12.5	186.5
1946	57.5	5.6	51.9	10.8	176.0
1947	60.2	5.5	54.7	10.0	149.2
1948	61.4	5.6	55.8	10.1	150.7
1949	62.1	5.8	56.3	10.4	155.2
1950	63.1	6.0	57.1	10.5	156.6
1951	62.9	6.4	56.5	11.3	168.6
1952	63.0	6.6	56.4	11.8	176.0
1953	63.4	6.7	56.7	11.8	176.0

Source: Total civilian and Government civilian employees from economic report of the President, 1954. Total civilianl abor force, table G16, p. 184. Total Government civilian labor force table G21, p. 189.


INDEX OF GOVERNMENT CIVILIAN EMPLOYEES 1929 = 100
CHART 2.
FEDERAL
STATE AND LOCAL
PERCENTAGE OF GOVT. EMPLOYEES IN 1929.
540
520
500
480
460
440
420
400
380
360
340
320
300
280
260
240
220
200
180
160
140
120
100
1928 30 32 34 36 38 40 42 44 46 48 50 52 54

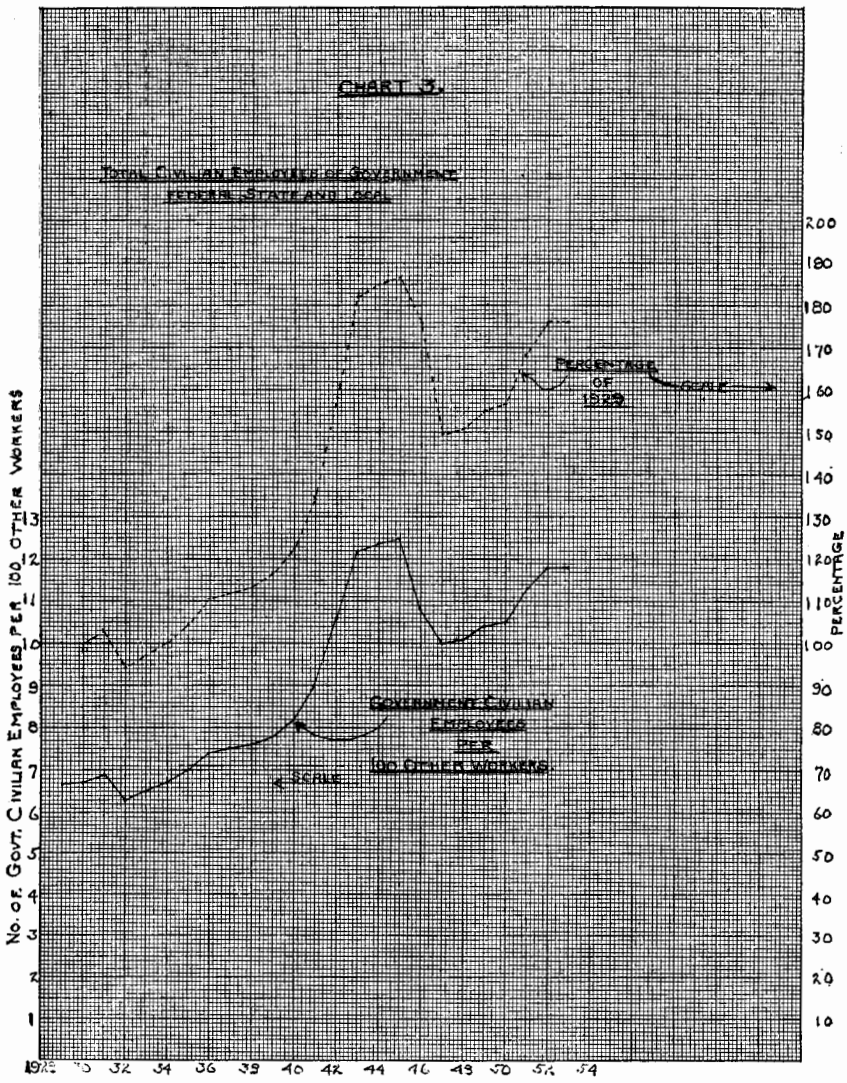


CHART 3.
TOTAL CIVILIAN EMPLOYEES OF GOVERNMENT FEDERAL, STATE AND LOCAL
PERCENTAGE OF 1929
SCALE
GOVERNMENT CIVILIAN EMPLOYEES PER 100 OTHER WORKERS.
SCALE
NO. OF GOVT. CIVILIAN EMPLOYEES PER 100 OTHER WORKERS
PERCENTAGE
200
180
180
170
160
150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
13
12
11
10
9
8
7
6
5
4
3
2
1
1929 30 32 34 36 38 40 42 44 46 48 50 52 54

DATA SHEET 3, CHART 4

Ordinary receipts and expenditures

Year	Population	Total Federal revenue	Total Federal expenditures	Total Federal revenue per capita	Total Federal expenditures per capita
	Millions	*Billions*	*Billions*		
1900	76.0	$0.567	$0.521	$7.46	$6.87
1901	77.4	.588	.525	7.60	6.79
1902	79.2	.562	.485	7.10	6.12
1903	80.7	.562	.517	6.96	6.45
1904	82.3	.541	.584	6.57	7.10
1905	84.0	.544	.567	6.48	6.75
1906	85.5	.595	.570	6.96	6.66
1907	87.2	.666	.579	7.54	6.64
1908	88.8	.602	.659	6.78	7.42
1909	90.3	.604	.694	6.70	7.69
1910	92.0	.676	.694	7.35	7.54
1911	93.4	.702	.691	7.52	7.40
1912	95.0	.693	.690	7.30	7.27
1913	96.5	.724	.725	7.50	7.51
1914	98.1	.735	.735	7.49	7.50
1915	99.6	.698	.761	7.01	7.64
1916	101.2	.783	.742	7.74	7.33
1917	102.8	1.124	2.086	11.04	19.88
1918	104.3	4.180	13.792	40.00	132.10
1919	105.8	4.654	18.952	46.20	179.20
1920	107.2	6.704	6.142	62.50	57.30
1921	108.8	5.584	4.469	51.35	41.00
1922	110.4	4.103	3.196	37.20	28.95
1923	111.9	3.847	3.245	34.35	29.00
1924	113.5	3.884	2.946	34.20	25.95
1925	115.0	3.607	2.464	31.35	21.40
1926	116.6	3.908	3.030	33.50	25.84
1927	118.2	4.128	3.002	34.90	25.39
1928	119.8	4.038	3.071	33.70	25.33
1929	121.6	4.036	3.322	33.20	27.30
1930	123.1	4.178	3.440	33.90	27.95
1931	124.0	3.176	3.577	25.60	28.81
1932	124.8	1.924	4.659	15.40	37.30
1933	125.6	2.021	4,623	16.10	36.80
1934	126.4	3.064	6.694	24.25	52.90
1935	127.3	3.730	6.521	29.30	51.12
1936	128.1	4.068	8.493	31.71	66.30
1937	128.8	4.979	7.756	38.63	60.20
1938	129.8	5.762	6.938	44.40	53.40
1939	130.9	5.103	8.966	39.00	68.50
1940	131.8	5.265	9.183	40.00	69.60
1941	133.2	7.227	13.387	54.30	100.40
1942	134.7	12.696	34.187	94.30	253.80
1943	136.5	22.201	79.622	162.60	583.50
1944	138.1	43.892	95.315	317.70	690.00
1945	139.6	44.762	98.703	320.50	706.80
1946	141.2	40.027	60.703	283.50	430.00
1947	143.4	40.043	39.289	279.00	274.00
1948	146.6	42.211	33.791	288.00	231.00
1949	149.1	38.246	40.057	256.50	268.20
1950	151.1	37.045	40.167	245.00	265.00
1951	154.4	48.143	44.633	311.80	289.00
1952	157.0	62.129	66.145	396.00	421.00
1953	159.7	65.218	74.607	410.00	466.50

1930–35 Economic Almanac (1953–54) of the N. I. C. B., p. 517.
1936–52 Statistical Abstract of the United States, 1953, p. 337.
Expenditure data 1900–29 Statistical Abstract of the United States, 1930, p. 172.
1930–35 Economic Almanac (1953–54) of the N. I. C. B.
1935–52 Statistical Abstract of the United States, 1953, p. 340.

Source: Revenue data 1900–29 Statistical Abstract of the United States, 1929 p. 172.

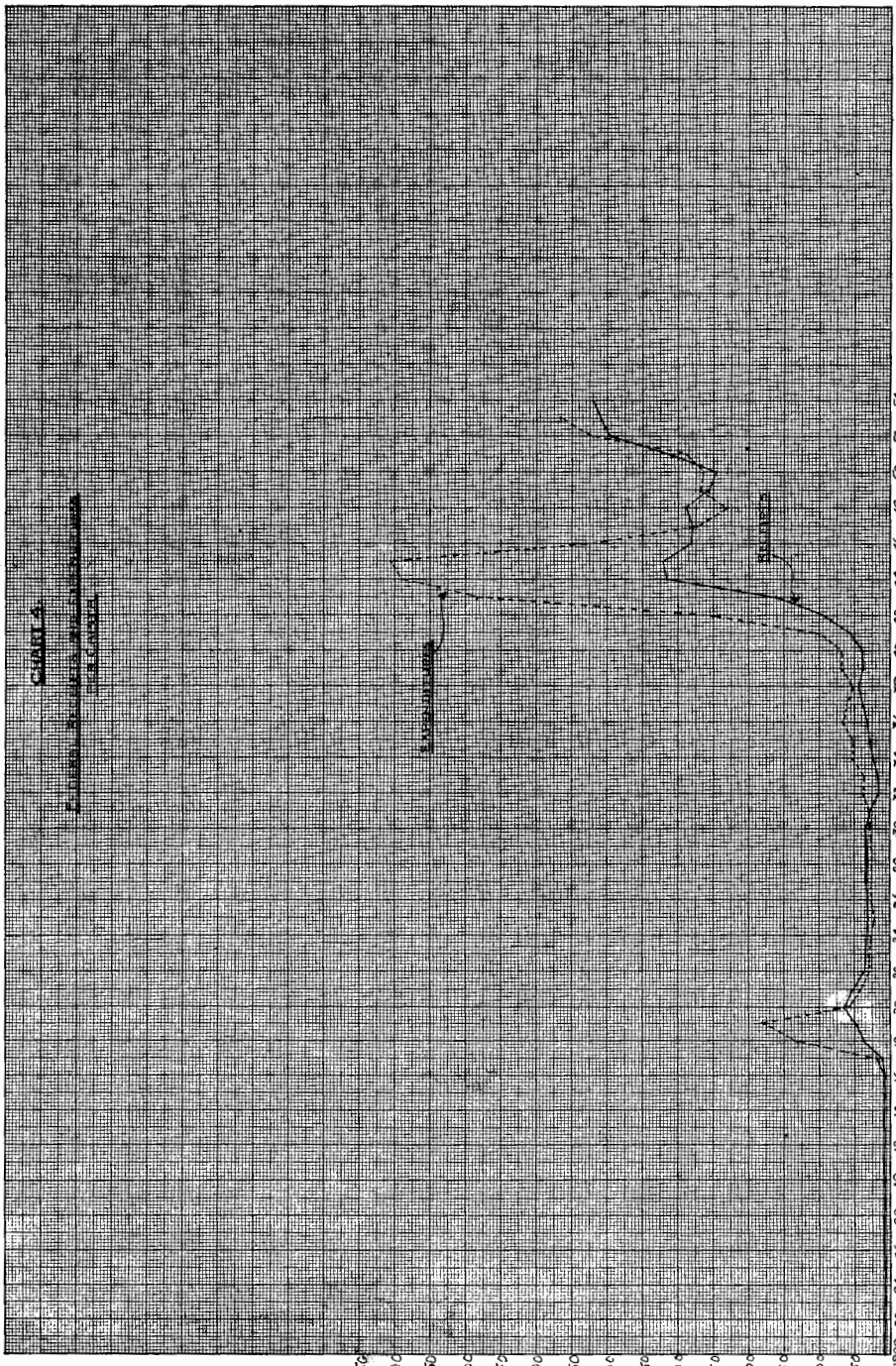


CHART 5.
ASSETS
INCOME
$
700
650
600
550
500
450
400
350
300
250
200
150
100
50
1900
02
04
06
08
10
12
14
16
18
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22
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DATA SHEET 4, CHART 5

Year	Population	Federal taxes	State and local taxes	1929=100		State and local tax index
				Population index	Federal tax index	
	Millions	*Millions*	*Millions*			
1916	101.2	$708	$1,935	83.2	21.2	30.1
1917	102.8	1,015	1,923	84.6	30.8	29.9
1918	104.3	3,352	2,309	85.8	100.5	35.9
1919	105.8	4,482	2,923	87.0	134.5	45.5
1920	107.2	5,689	3,476	88.2	170.6	54.0
1921	108.8	4,917	3,895	89.5	147.5	60.6
1922	110.4	3,554	4,015	90.8	106.6	62.4
1923	111.9	3,052	4,202	92.0	91.4	65.4
1924	113.5	3,207	4,619	93.4	96.1	71.8
1925	115.0	2,974	4,918	95.0	89.1	76.5
1926	116.6	3,215	5,398	95.9	96.4	83.9
1927	118.2	3,345	5,722	97.2	100.3	89.0
1928	119.8	3,201	6,148	98.5	96.0	95.6
1929	121.6	3,337	6,431	100.0	100.0	100.0
1930	123.1	3,517	6,798	101.2	105.4	105.7
1931	124.0	2,739	6,583	102.2	82.0	102.4
1932	124.8	1,813	6,358	102.7	54.3	98.8
1933	125.6	1,805	5,715	103.4	54.1	88.9
1934	126.4	2,910	5,881	104.0	87.2	91.5
1935	127.3	3,557	6,185	104.8	106.6	96.2
1936	128.1	3,856	6,659	105.4	115.5	103.5
1937	128.8	4,771	7,421	103.0	143.1	115.5
1938	129.8	5,452	7,684	105.9	163.5	119.5
1939	130.9	4,813	7,638	107.6	144.4	118.7
1940	131.8	4,921	7,997	108.5	147.6	124.4
1941	133.2	6,889	8,315	109.5	206.7	129.3
1942	134.7	12,964	8,527	110.9	389.0	132.6
1943	136.5	21,087	8,653	112.4	632.0	134.6
1944	138.1	40,339	8,875	113.6	1,210.0	138.0
1945	139.6	40,989	9,193	115.0	1,228.0	143.0
1946	141.2	36,285	10,094	116.3	1,088.0	157.0
1947	143.4	35,132	11,554	117.9	1,054.0	179.7
1948	146.6	37,636	13,342	120.7	1,129.0	207.5
1949	149.1	35,590	14,790	122.1	1,036.0	230.0
1950	151.1	34,955	15,914	124.4	1,049.0	247.5
1951	154.4	45,984	17,554	127.0	1,378.0	273.0
1952	157.0	59,535	----------	129.1	1,785.0	----------
1953	159.7	62,656	----------	131.3	1,878.0	----------

Source: Tax revenue data from p. 516, Economic Almanac 1953-54, National Industrial Conference Board. Excludes social security taxes except that portion used for administration of social security system.

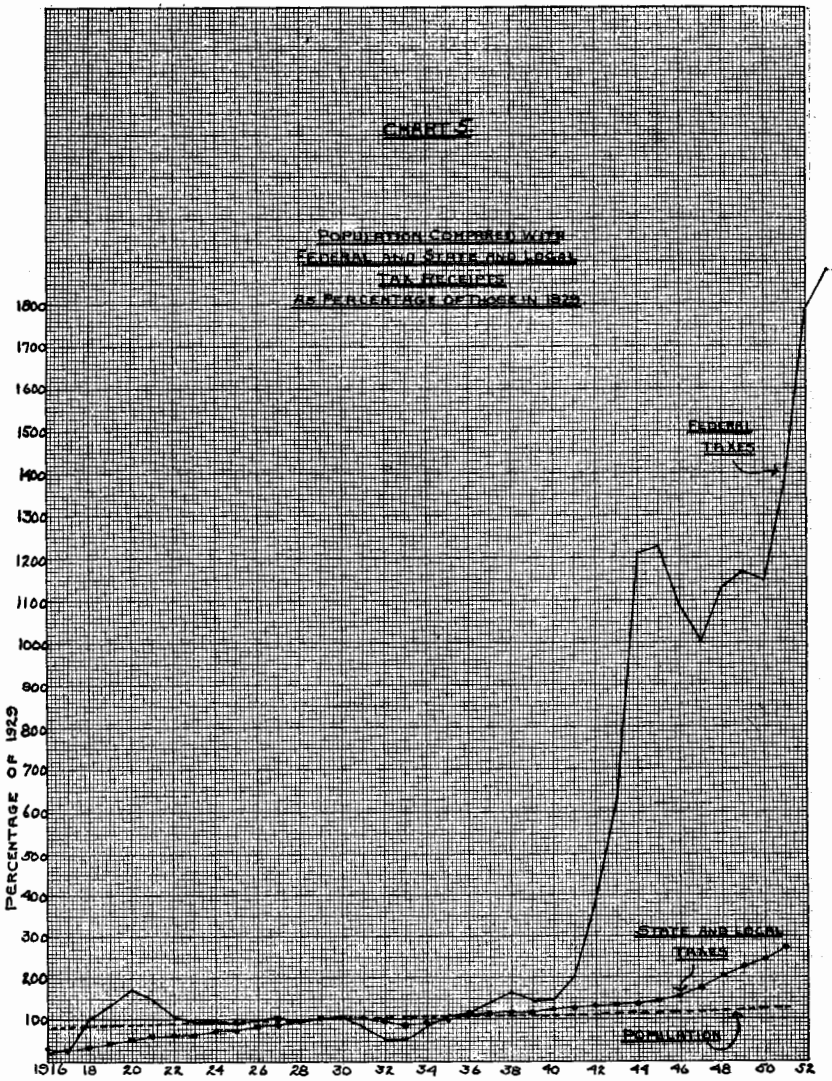
CHART 5
POPULATION COMPARED WITH FEDERAL AND STATE AND LOCAL TAX RECEIPTS AS PERCENTAGE OF THOSE IN 1929
PERCENTAGE OF 1929
1800
1700
1600
1500
1400
1300
1200
1100
1000
900
800
700
600
500
400
300
200
100
1916 18 20 22 24 26 28 30 32 34 36 38 40 42 44 46 48 50 52
FEDERAL TAXES
STATE AND LOCAL TAXES
POPULATION

DATA SHEET 5, CHART 6

National income and tax receipts

Tax receipts, calendar years—	National income, billions	Total, billions	Total percent of income	Tax receipts, calendar years—	National income, billions	Total, billions	Total percent of income
1929	$87.4	$10.30	11.8	1941	$103.8	$24.36	23.5
1930	75.0	9.77	13.0	1942	137.1	31.95	23.3
1931	58.9	8.54	14.5	1943	169.7	48.51	28.6
1932	41.7	8.00	17.0	1944	183.8	50.59	27.5
1933	39.6	8.54	21.6	1945	182.7	52.52	28.7
1934	48.6	9.68	19.9	1946	180.3	50.37	27.9
1935	56.8	10.59	18.7	1947	198.7	56.39	28.4
1936	64.7	12.14	18.8	1948	223.5	58.10	26.0
1937	73.6	14.57	19.8	1949	216.3	54.93	25.4
1938	67.4	14.20	21.1	1950	240.6	67.75	28.2
1939	72.5	14.58	20.1	1951	278.4	84.56	30.4
1940	81.3	16.95	20.9	1952	291.6		

Source: National income, table G-7, Economic Report of the President, 1954.

Tax receipts, Department of Commerce via Facts and Figures on Government Finance, 1952-53, by the Tax Foundation. Table 90, p. 116.

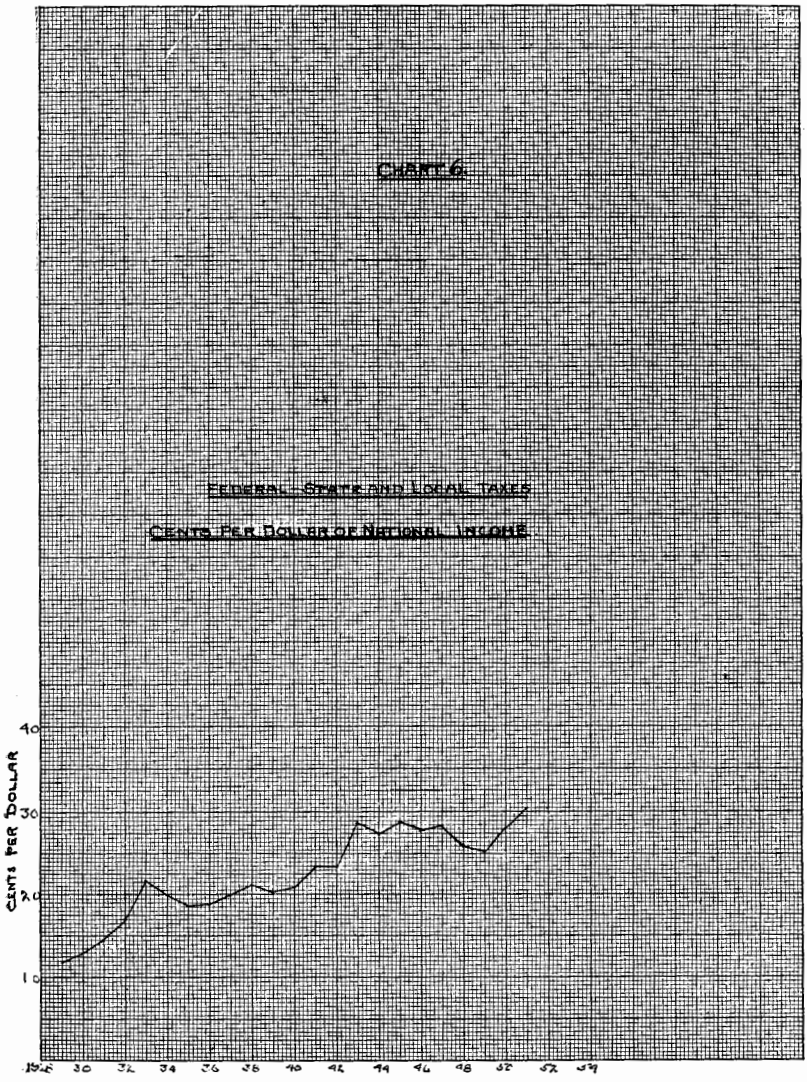
CHART 6
FEDERAL, STATE AND LOCAL TAXES
CENTS PER DOLLAR OF NATIONAL INCOME
CENTS PER DOLLAR
40
30
20
10
1929
30
32
34
36
38
40
42
44
46
48
50
52
59

DATA SHEET 6, CHART 7

	National income, billions	Number of families, millions	National income per family	Federal debt per family	Difference, income over debt
1900	$16.2	15.96	$1,015	$84	$931
1910	28.2	20.26	1,392	57	1,335
1920	74.2	24.35	3,045	1,000	2,045
1929	87.4	29.40	2,972	576	1,396
1930	75.0	29.90	2,510	542	1,968
1931	58.9	31.24	1,885	538	1,347
1932	41.7	31.67	1,317	615	702
1933	39.6	32.16	1,232	702	530
1934	48.6	32.56	1,493	831	662
1935	56.8	33.09	1,718	868	850
1936	64.7	33.55	1,928	1,006	922
1937	73.6	34.00	2,164	1,072	1,092
1938	67.4	34.52	1,952	1,076	876
1939	72.5	35.60	2,035	1,135	900
1940	81.3	34.95	2,325	1,230	1,095
1941	103.8	35.85	2,895	1,365	1,530
1942	137.1	36.45	3,760	1,990	1,770
1943	169.7	36.88	4,600	3,710	890
1944	183.8	37.10	4,950	5,420	−470
1945	182.7	37.50	4,870	6,900	−2,030
1946	189.3	38.18	3,725	7,006	−3,281
1947	198.7	39.14	5,007	6,600	−1,593
1948	223.5	40.72	5,490	6,200	−710
1949	216.3	42.11	5,140	6,000	−860
1950	240.6	43.47	5,530	5,930	−400
1951	278.4	44.56	6,250	5,750	500
1952	291.6	45.46	6,415	5,700	715
1953	[1] 306.0	47.50	6,440	5,600	840

[1] Estimated.

Source: Income data, 1900, 1910, 1920, estimated based on NBER data in "National Productivity Since 1869."
1929–52, the Economic Report of the President, 1954, table G–7.
Number of families based on United States census data.

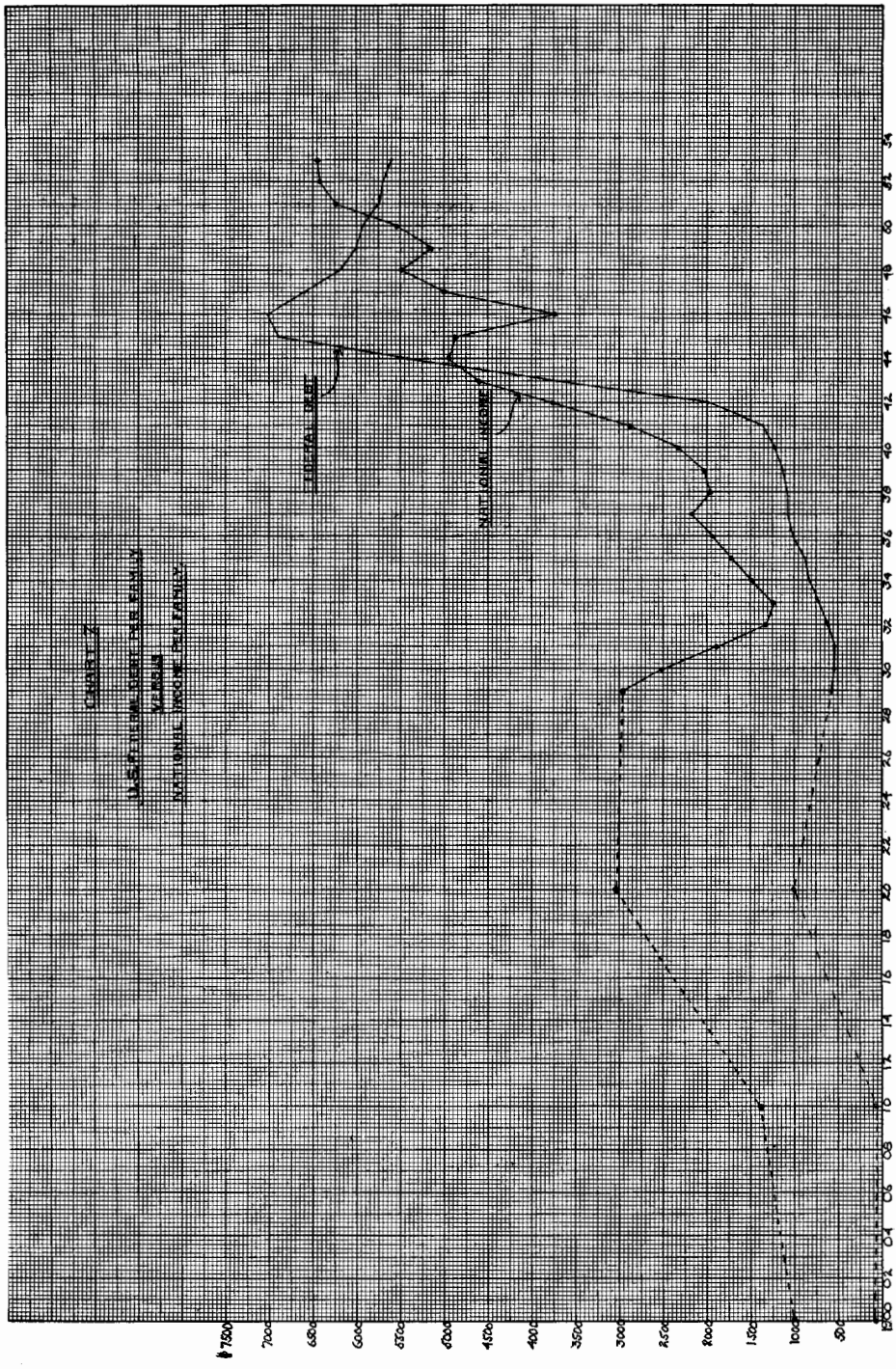
CHART 2
U.S. INCOME TAX RATES
VARIOUS
NATIONAL INCOME PER FAMILY
FEDERAL DEBT
NET FOREIGN DEBT
$7500
7000
6500
6000
5500
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
0.2
0.4
0.6
0.8
1.0
1.2
1.4
1.6
1.8
2.0
2.2
2.4
2.6
2.8
3.0
3.2
3.4
3.6
3.8
4.0
4.2
4.4
4.6
4.8
5.0
5.2
5.4

DATA SHEET 7, CHART 8

	Total debt, private and public, billions	Private debt, billions	Number of families, millions	Private debt per family	Total debt per family	National income per family
1929	$191.1	$161.5	29.40	$5,500	$6,500	$2,972
1930	191.4	160.8	29.90	5,380	6,400	2,510
1931	182.6	148.6	31.24	4,760	5,850	1,885
1932	175.7	137.8	31.67	4,350	5,550	1,317
1933	169.7	128.8	32.16	4,000	5,280	1,232
1934	172.6	126.3	32.56	3,880	5,300	1,493
1935	175.9	125.4	33.09	3,790	5,320	1,718
1936	181.4	127.5	33.55	3,800	5,400	1,928
1937	183.3	127.9	34.00	3,760	5,390	2,164
1938	180.8	124.3	34.52	3,600	5,240	1,952
1939	184.5	125.5	35.60	3,530	5,180	2,035
1940	190.8	129.6	34.95	3,700	5,460	2,325
1941	212.6	140.4	35.85	3,915	5,930	2,895
1942	260.7	143.2	36.45	3,930	7,150	3,760
1943	314.3	145.0	36.88	3,935	8,530	4,600
1944	371.6	145.7	37.10	3,930	10,020	4,950
1945	407.3	140.8	37.50	3,755	10,860	4,870
1946	398.8	155.5	38.18	4,070	10,450	3,725
1947	419.5	181.8	39.14	4,650	10,720	5,007
1948	435.3	202.6	40.72	4,975	10,690	5,490
1949	446.7	210.0	42.11	4,985	10,600	5,140
1950	485.8	246.4	43.47	5,670	11,180	5,530
1951	519.2	277.2	44.56	6,230	11,650	6,250

Source: Data on debt from Economic Almanac, National Industrial Conference Board, 1953–54, p. 122. Data on income derived from table G7, President's Economic Report, 1954, and Census Bureau data on families.

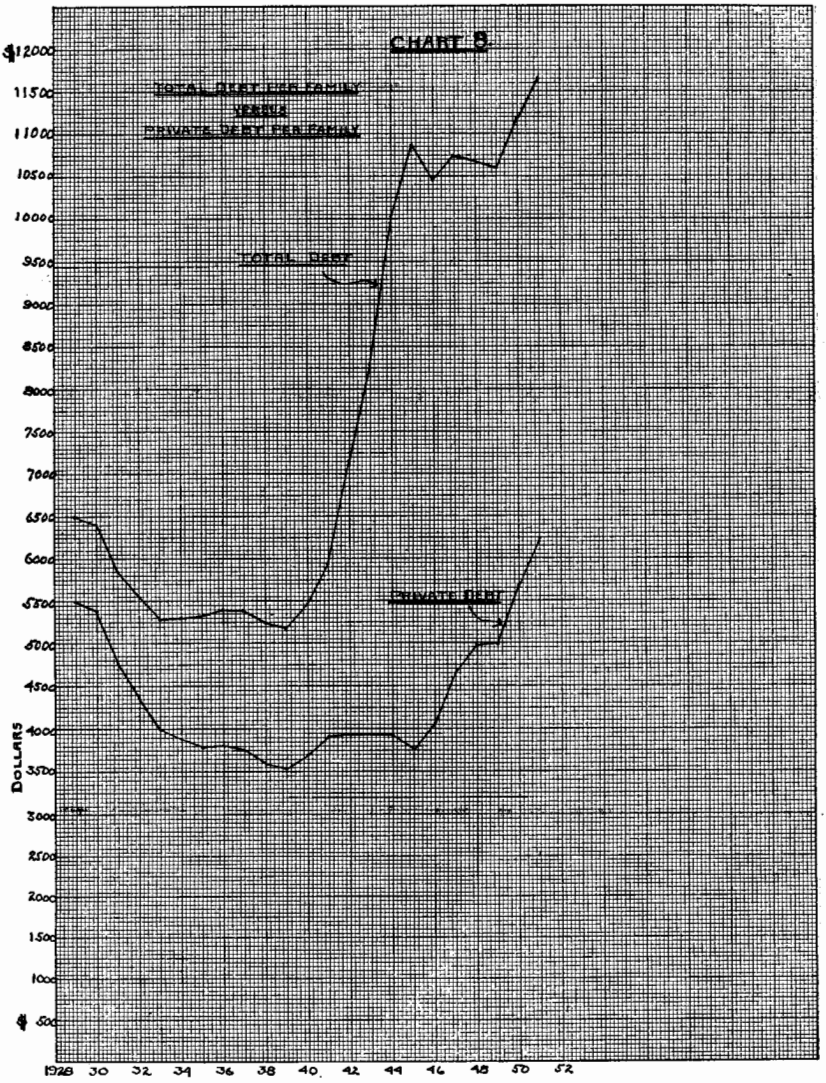
CHART 8
TOTAL DEBT PER FAMILY
VERSUS
PRIVATE DEBT PER FAMILY
TOTAL DEBT
PRIVATE DEBT
DOLLARS
$12000
11500
11000
10500
10000
9500
9000
8500
8000
7500
7000
6500
6000
5500
5000
4500
4000
3500
3000
2500
2000
1500
1000
$ 500
1928 30 32 34 36 38 40 42 44 46 48 50 52

DATA SHEET 8, CHART 9

	Gross national product, billions	Federal debt, billions	Gross national product at 1929 consumer price, billions		Gross national product, billions	Federal debt, billions	Gross national product at 1929 consumer price, billions
1900 [1]	$16.9	$1.26		1927	89.6	$18.51	$88.6
1901 [1]	18.1	1.22		1928	91.3	17.60	91.2
1902 [1]	19.2	1.18		1929	103.8	16.90	103.8
1903 [1]	20.5	1.16		1930	90.9	16.20	93.4
1904 [1]	21.6	1.14		1931	75.9	16.80	85.6
1905 [1]	23.0	1.13		1932	58.3	19.50	73.2
1906 [1]	24.5	1.14		1933	55.8	22.50	74.0
1907 [1]	26.0	1.15		1934	64.9	27.70	83.0
1908 [1]	27.5	1.18		1935	72.2	32.80	90.2
1909	28.8	1.15		1936	82.5	38.50	102.0
1910 [1]	31.1	1.15		1937	90.2	41.10	107.8
1911 [1]	33.4	1.15		1938	84.7	42.00	102.9
1912 [1]	35.7	1.19		1939	91.3	45.90	112.5
1913 [1]	38.0	1.19	$65.7	1940	101.4	48.50	124.0
1914	40.1	1.19	68.4	1941	126.4	55.30	147.3
1915 [1]	47.0	1.19	79.4	1942	161.6	77.00	169.8
1916 [1]	53.9	1.23	84.7	1943	194.3	140.80	192.5
1917 [1]	60.6	2.98	81.0	1944	213.7	202.60	208.1
1918 [1]	67.5	12.24	76.9	1945	215.2	259.10	205.0
1919	74.2	25.48	73.4	1946	211.1	269.90	185.5
1920	85.6	24.30	73.1	1947	233.3	258.40	179.0
1921	67.7	24.00	65.0	1948	259.0	252.40	184.6
1922	68.4	23.00	70.0	1949	258.2	252.80	186.0
1923	80.4	22.35	80.7	1950	286.8	257.40	205.2
1924	80.9	21.25	81.2	1951	329.8	255.30	217.0
1925	95.0	20.52	83.1	1952	348.0	259.20	223.5
1926	91.1	19.64	88.3	1953 [2]	366.0	266.10	234.0

[1] Estimated from data shown for 1899, 1904, 1909, 1914, and 1919 as indicated below.
[2] Estimate based in data for 9 months and subsequent production data.

Source: Gross national product 1900–28, national product since 1869—NBER, pp. 119, 151. Federal debt 1900–28, Statistical Abstract of United States, 1930, p. 214. Federal debt, 1929–52, Economic Indicators Supplement 1953. Personal Disposable Income, 1929–50, National Income, 1951 edition, table 3, p. 151.

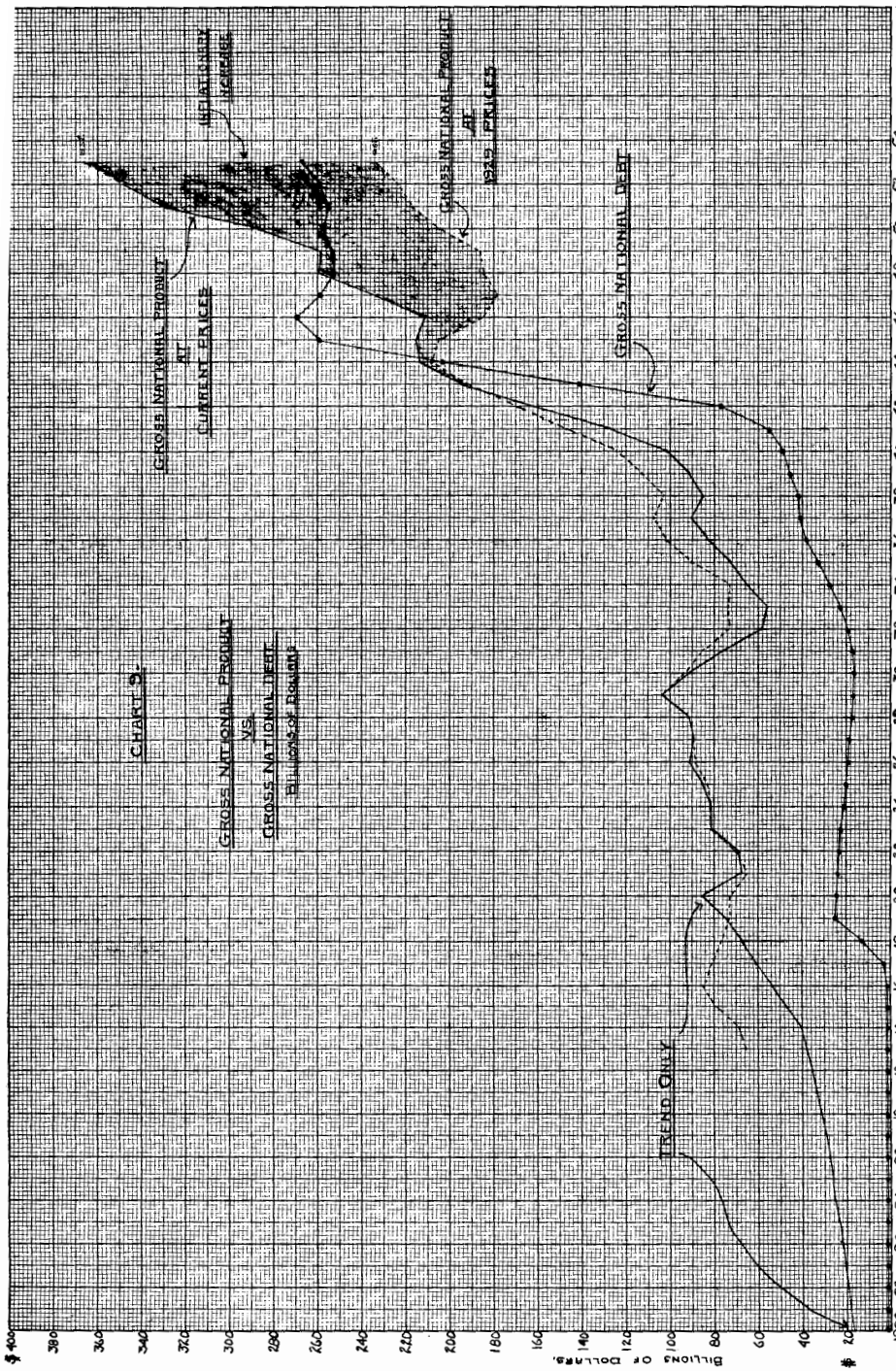
CHART 9.
GROSS NATIONAL PRODUCT
VS.
GROSS NATIONAL DEBT
BILLIONS OF DOLLARS
GROSS NATIONAL PRODUCT AT CURRENT PRICES
INFLATION-ARY INCREASE
GROSS NATIONAL PRODUCT AT 1929 PRICES
GROSS NATIONAL DEBT
TREND ONLY
BILLIONS OF DOLLARS.
$400
380
360
340
320
300
280
260
240
220
200
180
160
140
120
100
80
60
40
20
1900
02
04
06
08
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
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42
44
46
48
50
52
54

DATA SHEET 9, CHART 10

	Percent Federal debt G. N. P.	Disposable personal income, billions	Percent D. I. P. G. N. P.		Percent Federal debt G. N. P.	Disposable personal income, billions	Percent D. I. P. G. N. P.
1900	7.46			1927	20.7		
1901	6.74			1928	19.3		
1902	6.14			1929	16.3	$82.5	74.9
1903	5.66			1930	17.8	73.7	81.0
1904	5.27			1931	22.1	63.0	83.0
1905	4.92			1932	33.5	47.8	82.0
1906	4.66			1933	40.3	45.2	80.8
1907	4.42			1934	42.7	51.6	79.5
1908	4.29			1935	45.5	58.0	80.4
1909	4.00			1936	46.7	66.1	80.2
1910	3.70			1937	45.6	71.1	78.8
1911	3.46			1938	49.6	65.5	77.3
1912	3.33			1939	50.3	70.2	76.8
1913	3.13			1940	47.8	75.7	74.7
1914	2.97			1941	43.8	92.0	72.8
1915	2.53			1942	47.6	116.7	72.2
1916	2.28			1943	72.4	132.4	68.2
1917	4.92			1944	94.9	147.0	68.8
1918	18.1			1945	120.5	151.1	70.2
1919	34.3			1946	127.8	158.9	75.2
1920	28.4			1947	110.8	169.5	72.7
1921	35.4			1948	97.5	188.4	72.7
1922	33.6			1949	97.9	187.2	72.5
1923	27.8			1950	89.8	205.8	76.7
1924	26.3			1951	77.5	225.0	68.2
1925	24.2			1952	74.5	235.0	67.5
1926	21.5			1953	[1] 72.7	[1] 250.0	[1] 68.3

[1] Estimate based on data for 9 months and subsequent production data.

Source: Gross national product, 1900–28, national product since 1869, NBER, pp. 119, 151. Federal debt 1900–28, Statistical Abstract of United States, 1930, p. 214. Federal debt 1929–52, Economic Indicators Supplement, 1953. Personal Disposable Income, 1929–50, National Income, 1951 edition, table 3, p. 151.

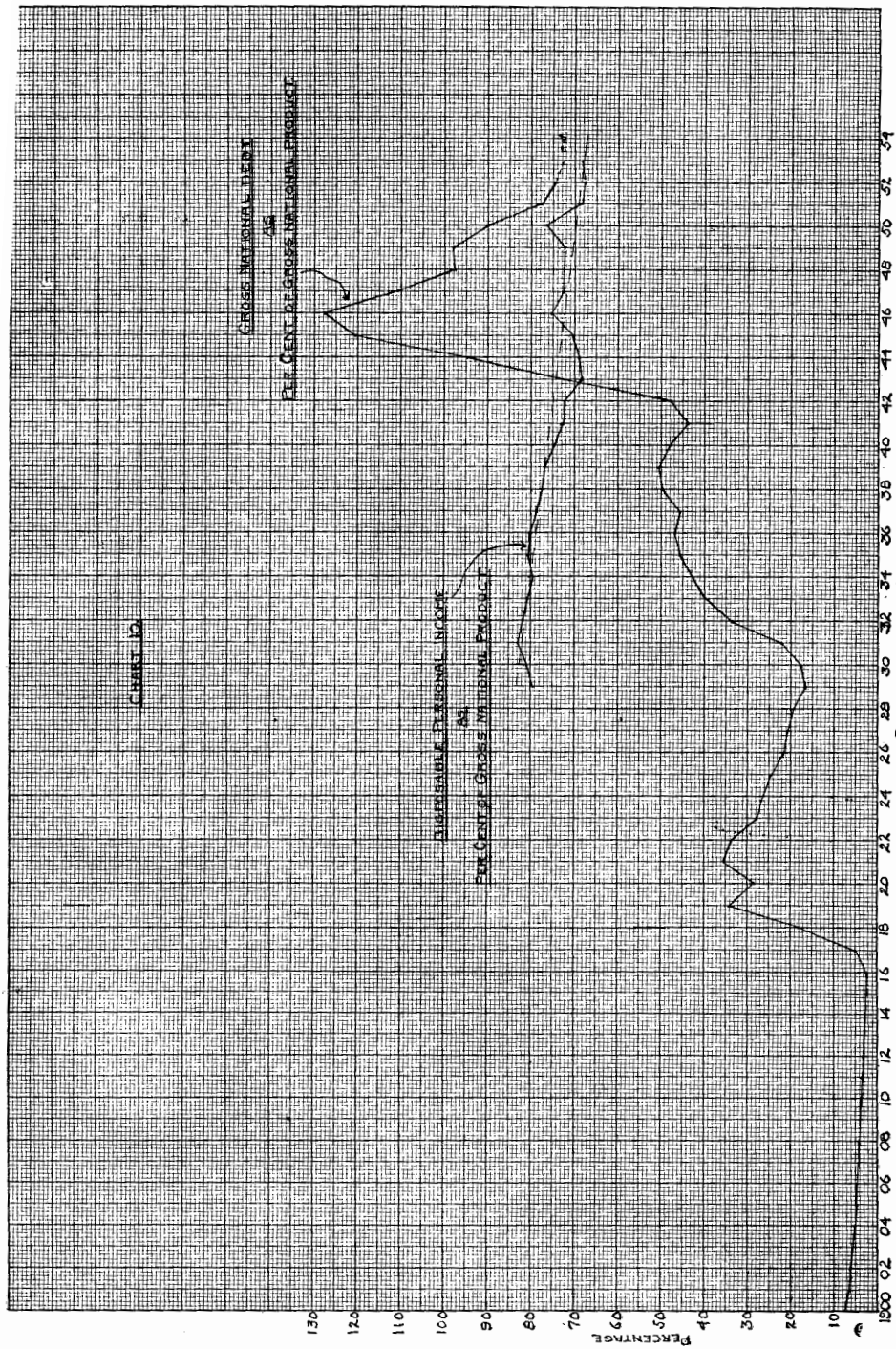
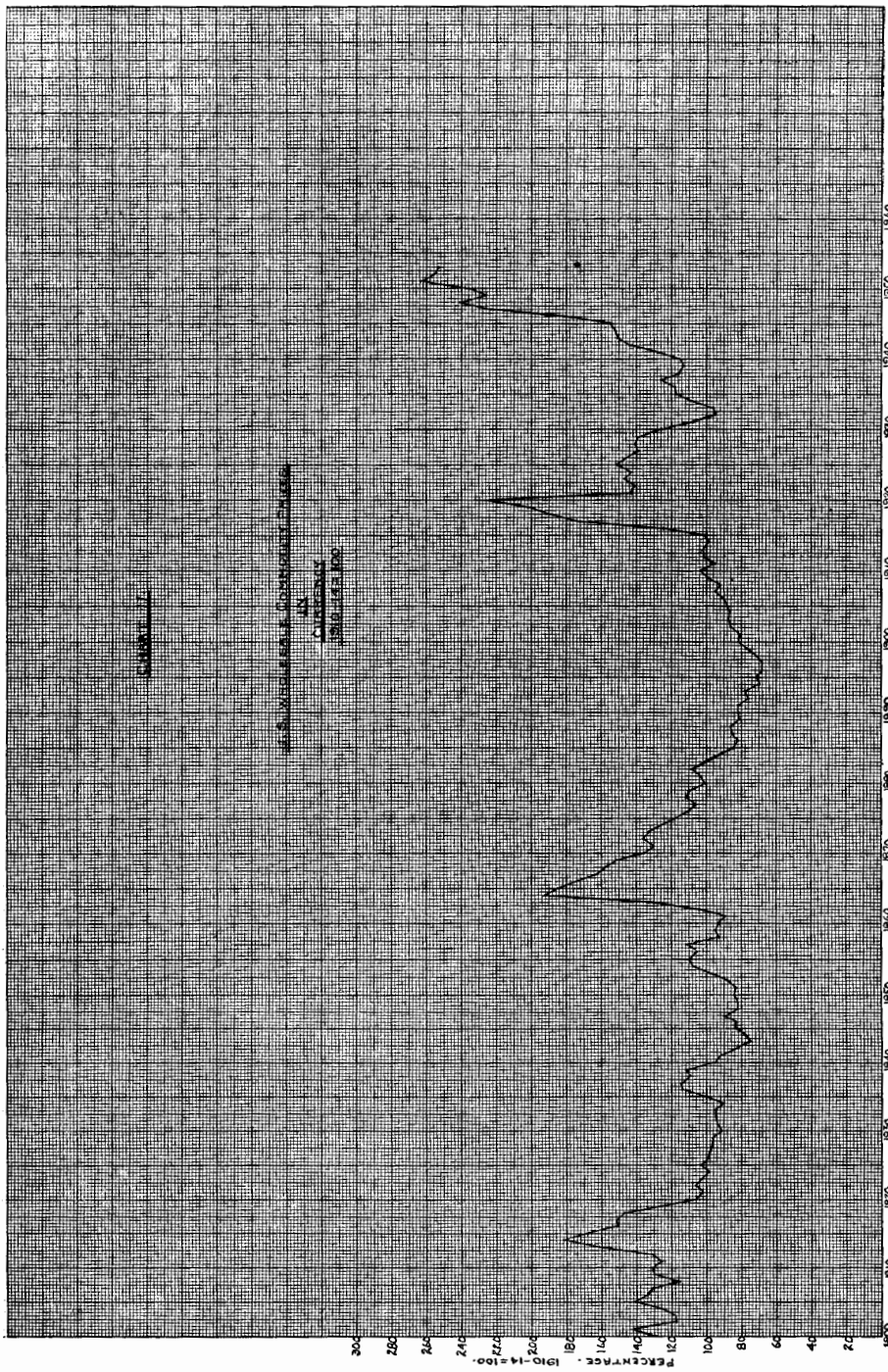


CHART 10
GROSS NATIONAL DEBT
AS
PER CENT OF GROSS NATIONAL PRODUCT
TAXABLE PERSONAL INCOME
AS
PER CENT OF GROSS NATIONAL PRODUCT
PERCENTAGE
130
120
110
100
90
80
70
60
50
40
30
20
10
0
1900 02 04 06 08 10 12 14 16 18 20 22 24 26 28 30 32 34 36 38 40 42 44 46 48 50 52 54


PERCENTAGE · 1910-14=100·
300
260
240
227
202
182
161
140
120
100
80
60
40
20
1800
1810
1820
1830
1840
1850
1860
1870
1880
1890
1900
1910
1920
1930
1940
1950
1940

DATA SHEET 10, CHART 12

Industrial production (physical volume)

	Cleveland Trust index, percent of normal	Normal trend, 1935-39=100	Total production,[1] 1935-39=100	New series F. R. B. data, 1935-39=100		Cleveland Trust index, percent of normal	Normal trend, 1935-39=100	Total production,[1] 1935-39=100	New series F. R. B. data, 1935-39=100
1900	103	32.7	33.7		1927	104	87.2	90.7	94
1901	103	34.2	35.2		1928	106	90.0	95.4	98
1902	103	35.7	36.8		1929	110	92.8	102.0	109
1903	101	37.2	37.6		1930	87	95.6	83.2	91
1904	96	38.8	37.2		1931	73	98.3	71.7	74
1905	108	40.4	43.6		1932	57	100.5	57.3	57
1906	110	42.1	46.3		1933	68	102.8	70.0	69
1907	106	43.8	46.5		1934	68	105.1	71.5	74
1908	86	45.6	39.2		1935	77	107.6	82.9	87
1909	102	47.3	48.3		1936	89	110.0	97.9	104
1910	101	49.2	49.7		1937	93	112.5	104.6	113
1911	94	51.0	47.9		1938	71	115.4	82.0	89
1912	104	52.9	55.0		1939	88	117.9	103.7	107
1913	105	54.8	57.6		1940	102	120.6	123.0	124
1914	95	56.8	54.0		1941	127	123.8	157.3	161
1915	100	58.8	58.8		1942	132	127.4	168.2	196
1916	114	61.0	69.5		1943	138	131.0	180.7	235
1917	112	63.2	70.8		1944	134	134.5	180.2	231
1918	107	65.4	70.0		1945	123	138.5	170.4	198
1919	100	67.5	67.5	72	1946	114	141.8	161.7	167
1920	102	69.4	70.8	76	1947	126	146.0	184.6	185
1921	76	72.2	54.8	57	1948	131	151.9	199.0	193
1922	93	74.4	69.2	72	1949	115	155.6	179.6	180
1923	112	77.0	86.2	87	1950	133	161.0	214.5	207
1924	100	79.4	79.4	82	1951	139	165.7	230.0	222
1925	107	82.0	87.8	91	1952	130	172.5	225.0	230
1926	108	84.4	91.2	94	1953[2]	138	177.4	[2] 245.4	[2] 248

[1] Derived from monthly data published by the Cleveland Trust Co. and independently calculated normal trend.

[2] Estimated.

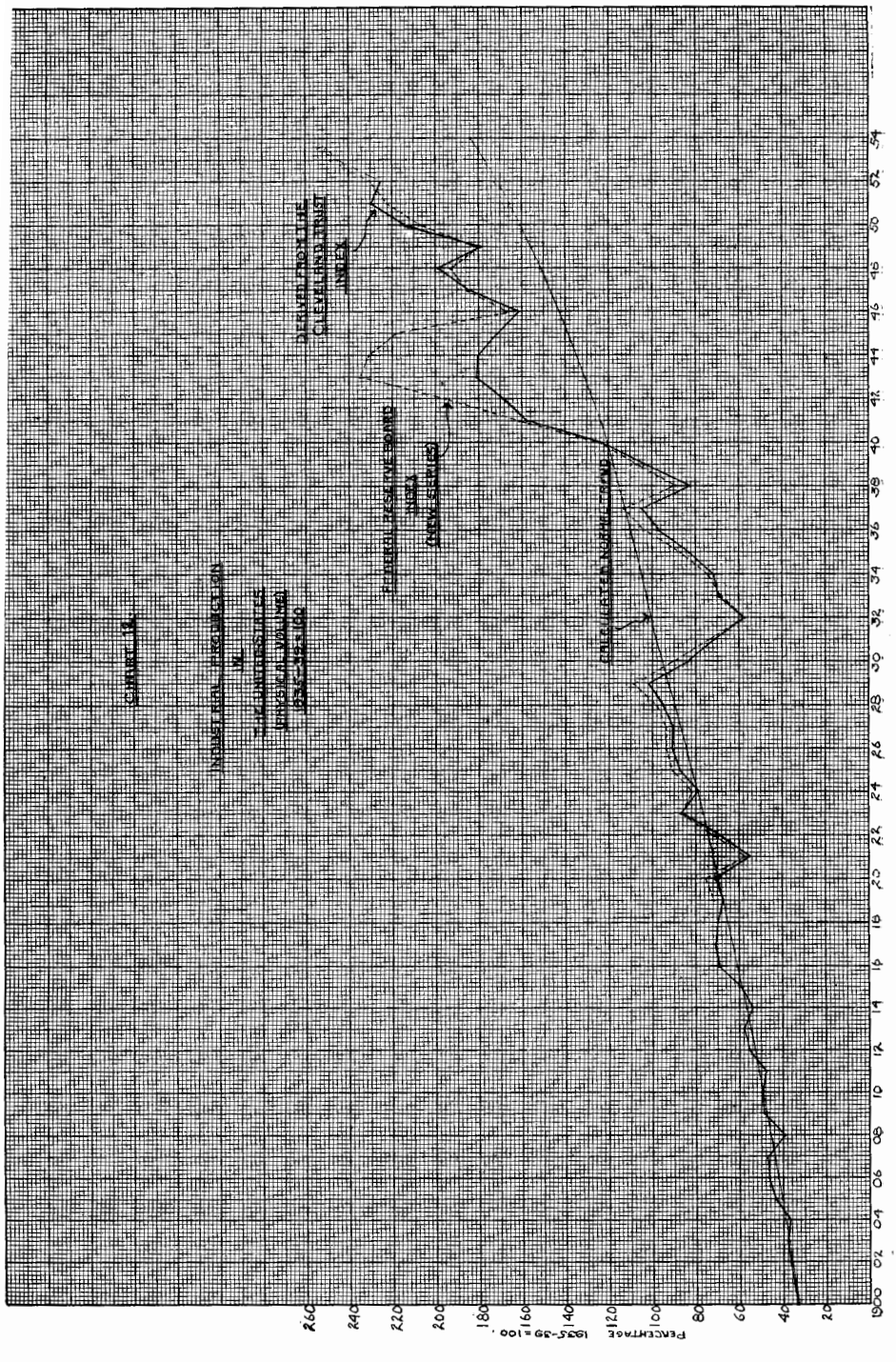


CHART 8
INDUSTRIAL PRODUCTION
IN
THE UNITED STATES
AUGUST 1914 - MAY 1919
1935-39
FEDERAL RESERVE BOARD
INDEX
(NEW SERIES)
CLEVELAND TRUST
INDEX
PERCENTAGE 1935-39 = 100
260
240
220
200
180
160
140
120
100
80
60
40
20
1900
02
04
06
08
10
12
14
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Mr. McNiece. Then I assume that in answering any question it would be permissible to clarify it by reading a particular section.

Mr. Hays. Surely.

Mr. Koch. The question now is whether you members would like to ask any questions with respect to any part of that report, or whether you would like to study it and ask some at a future time.

Mr. Goodwin. Mr. Hays.

Mr. Hays. I will surprise you by saying I have no questions.

Mr. Goodwin. The Chair concurs.

Mr. Koch. Then you are excused for today.

Mr. Goodwin. Thank you very much for your presentation.

Mr. Wormser. Mr. Chairman, Miss Casey has been sworn, and I think probaby her oath can be considered to be continued.

Mr. Goodwin. I would say so.

Mr. Koch. Miss Casey, you have prepared a report. What is the title of that?

TESTIMONY OF KATHRYN CASEY, LEGAL ANALYST, SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS

Miss Casey. It is called Summary of Activities of Carnegie Corporation of New York, Carnegie Foundation for the Advancement of Teaching, the Rockefeller Foundation, the Rockefeller General Education Board.

Mr. Koch. That is a rather long document, and I understand unless the gentlemen wish, you have no desire to read that entire document, but there were certain paragraphs you felt you would like to read. Is that it?

Miss Casey. Yes. I don't have any intention of reading this entire document. I thought I might highlight some parts of it to give the members of the committee a background. I would like to say first of all that the object of this summary was to enable the committee to have the benefit of the research done and give them the facts taken from the foundations reports.

Mr. Koch. First of all, may that report be considered in the record?

Mr. Goodwin. In the absence of objection, the report will be ordered inserted in the record.

Mr. Hays. Reserving the right to object, and I shall not object, I would just like to point out here that perhaps when some of the people representing the foundations come before us, they may have long prepared statements, and I hope there will be no objection to using the same procedure on them, unless some member of the committee wants it read. In other words, the thing I am interested in is that it is rather voluminous, and we have run to quite a few pages. I hope there will be no inclination to keep something out of the record when the minority has entered no objection to putting anything in the record that anyone thought was pertinent.

Mr. Goodwin. That certainly would be the idea of the present occupant of the Chair. I assume that it is the opinion of the staff that this material should be in the record.

Mr. Koch. Oh, yes.

Mr. WORMSER. Mr. Hays, the only comment I would like to make on that is that I am asking these various foundations to give us copies sufficiently in advance so that we can at least know the material that they are going to bring up. If you have talked to any of them, I wish you would ask them to please do that. In some cases it is going to be a rather short job for them. In other cases, they have quite a lot of time.

Mr. HAYS. Suppose they want to bring somebody in as the four professors were brought in, and they wanted to speak as they did, without any preparation?

Mr. KOCH. Then they certainly should have the right to do that. There is no doubt about it.

Mr. HAYS. I am concurring with you. Whenever they are going to have a prepared statement, they should be submitted in advance. I have no objection to that.

Mr. GOODWIN. The Chairman assumes there will be no controversy over any question of this sort.

(The statement Summary of Activities of Carnegie Corporation of New York, Carnegie Foundation for Advancement of Teaching, the Rockefeller Foundation, the Rockefeller General Education Board is as follows:)

INTRODUCTION

One of the objectives of the staff, as mentioned in Mr. Dodd's report, was to determine whether there was a common denominator, as it were, in relation to foundation purposes. A collateral objective was to determine, if possible, whether the activities of foundations might fall into certain definite classifications.

Upon examination of the material available in the Cox committee files it was apparent that it was insufficient [1] to support a firm conclusion on this point; as were the various reference books available on foundations and their activities. After further study and discussion as to both the quickest and the most efficient method of securing sufficient information, it was decided to examine the activities of the first [2] major [3] foundations, to determine whether their activities could be classified, on the theory that such an examination would also serve the dual purpose of providing a guide for study of other foundations. With size of endowment and date organized as criteria, the selection of the agencies created by Andrew Carnegie and John D. Rockefeller were quite obvious choices, as will be seen by a glance at the following chronological list:

Carnegie Institute (of Pittsburgh), 1896.
Rockefeller Institute for Medical Research, 1901.
Carnegie Institution of Washington, 1902.
Rockefeller General Education Board, 1903.
Carnegie Hero Fund Commission, 1904.
Carnegie Foundation for the Advancement of Teaching, 1905.
Carnegie Endowment for International Peace, 1910.
Carnegie Corporation of New York, 1911.
The Rockefeller Foundation, 1918.
The Laura Spelman Rockefeller Memorial, 1918.[4]

As a practical matter, the Carnegie Institute of Pittsburgh, the Carnegie Institution of Washington and the Carnegie Hero Fund Commission were eliminated as objects of study in relation to their fields of activity, because their purposes were so clearly specified and their activities confined thereto.

On the theory that the document itself is the best evidence, the logical source of the best information was the records of the foundations themselves, as contained in their annual reports and similar publication. When it proved difficult to obtain these reports from the Library of Congress [5] recourse was had to the foundations themselves.

In the case of the two Rockefeller agencies—the foundation and the General Education Board—the president, Mr. Dean Rusk, upon request responded immediately and loaned to the committee copies of the annual reports of each of these organizations.

In the case of the Carnegie Endowment for International Peace a request was made to permit studies of their records from the date of organization, to which Dr. Johnson, the president, agreed without hesitation, and every cooperation was extended in placing the records, minutes of meetings, and confidential reports at the committee's disposal. In the time available, it was not possible to cover in detail all the material available for those years, but extensive notes were made

[1] Not only as to details, but also because it covered only the years 1936–51, inclusive.
[2] In point of time.
[3] In size of assets.
[4] Its activities were merged with those of the Rockefeller Foundation, 1928.
[5] Since only 1 copy was available for circulation, the other being for reference.

and verbatim quotations extracted; Mr. Perkins, of the Carnegie Corporation had equally cooperated but, subsequently on special request, the Library of Congress permitted the reference copies of the yearbooks of the Corporation, the foundation and the endowment to be withdrawn from the Library for use at the committee's offices.

In addition to these reports, the books and articles, including biographical material, available on both Mr. Rockefeller and Mr. Carnegie and their foundations, were consulted and studied.[6]

Based on these studies, and according to the records of the foundations themselves, it was concluded that their activities had been carried on in a handful of major areas, namely:

I. Education.
II. International affairs, including international law.
III. Politics (in the sense that politics is the science of civil government.)
IV. Public affairs.
V. Propaganda.
VI. Economics.

While some of these fields overlapped to a certain degree, that fact does not affect the validity of the technique of analysis, nor the statement of summation.

I. Education

GENERAL PURPOSE

Part I of this summary is devoted to answering three questions:

1. Have these foundations carried on activities in the field of education?
   (*a*) At elementary level?
   (*b*) At secondary level?
   (*c*) At college and university level?
2. What have these activities been (at each of the levels noted)?
3. Did such activities have any evident or traceable effects in the educational field?

Secondly, once the answers to these questions are determined, what is their relationship (if any) to education, in the light of the constitutional and historic attitudes with regard to it in this country?

The activities relating to questions 1 and 2 will be summarized separately by foundation, for the entire period of its existence, in section 1. However, since the activities of all these organizations are parallel—at least in part—the effects of all in the educational field, and their relationship (if any) to the constitutional and historic viewpoint will be summarized and compared in section 2.

GENERAL INFORMATION

Of the Carnegie and Rockefeller organizations only one—the General Education Board of Rockefeller [1]—from its outset has operated exclusively in the field of education, in the sense of a relationship to institutions of learning, teaching, and so forth. In the sense that all

[6] Bibliography: Life of Andrew Carnegie (2 vols.), V. J. Hendrick: Forty years of Carnegie Giving, R. M. Lester; 30 Year Catalogue of Grants, R. M. Lester; Fruit of an Impulse, Howard J. Savage; Philanthropic Foundations and Higher Education, Ernest Victor Hollis; The Story of the Rockefeller Foundation, Raymond Fosdick; History of the Standard Oil Co., Tarbell; American Foundations—Their Fields, 20th Century Fund; Philanthrophy and Learning, Frederick P. Keppel; Public Benefactions of Andrew Carnegie, Carnegie Corp.; The Foundation, Frederick P. Keppel.

[1] Terminated operations at end of 1953.

knowledge developed pertains to education, of course, then the term "education" becomes practically all-inclusive of every activity not only of foundations, but of industry and government as well. However, in the former sense—which is the sense in which it is used here—Carnegie Corp., Carnegie Foundation for the Advancement of Teaching, Carnegie Endowment for International Peace, and the Rockefeller Foundation are dedicated by their charters to purposes directly or indirectly related to what might be called the advancement of education.

In the case of the foundation,[2] originally intended as a means of providing "retiring allowances" for professors, it is now its primary purpose. The corporation [3] and the endowment [4] have it as one of a multiplicity of purposes. Because this is particularly true of the endowment, and because its activities are so closely interrelated that agency's activities will be summarized as a unit when other categories of foundation activities are covered.

One further fact should be noted because it is a matter which time did not permit complete resolving. In the case of the corporation, and the foundation, there is a considerable overlapping of funds, and it is difficult at times to determine the extent to which the funds mentioned in the foundation's financial reports are duplicates of funds mentioned in the corporation's report. To a certain extent this is true also in regard to the endowment. Thus, while every effort will be made in this report to differentiate clearly between the amounts of money, it may be that sums reported in the foundation and the endowment records are duplications of sums reported in the Carnegie record.

Inasmuch as the Rockefeller Foundation and the General Education Board do not seem to have the interlocking relationships found in the Carnegie organizations it is not believed that the same possibility of duplication exists in regard to those two organizatons.

However, perhaps in an excess of caution, where doubt arose, the item was not included so that whatever error has occurred has been on the side of lower totals rather than higher.

BACKGROUND [5] MATERIAL FROM REFERENCE WORKS

Before proceeding to an analysis of information taken from the annual reports of each of the foundations to be summarized, a brief review of the activities in the field of education by these major contributors may prove helpful and also serve as a basis for evaluation.

Dr. Ernest Victor Hollis in his book Philanthropic Foundations and Higher Education, published in 1938, covers not only the background and organization of foundations, but also the specific activities of foundations in the field of education. While most of his references are to higher education, portions of his work involve secondary education indirectly, as will be seen later. Although published in 1938, which makes many of the statistics of Dr. Hollis' book somewhat outdated, it is still regarded as an excellent reference.

[2] This term will be used throughout to designate the Carnegie Foundation for the Advancement of Teaching.
[3] This term will be used throughout to designate the Carnegie Corp.
[4] This term will be used throughout to designate the Carnegie Endowment for International Peace.
[5] See bibliography, p. 669.

According to Dr. Ernest Victor Hollis[6] "unfavorable public estimate of the elder John D. Rockefeller and Andrew Carnegie made it inexpedient in 1905 for their newly created philanthropic foundations to attempt any direct reforms in higher education." The subject was approached indirectly through general and noncontroversial purposes, nearly all foundation grants made before 1920 being for such purposes.

Dr. Hollis writes:

> Far-reaching college reform was carefully embedded in many of these noncontroversial grants. It was so skillfully done that few of the grants are directly chargeable to the ultimate reforms they sought to effect. For instance, there is little obvious connection between giving a pension to a college professor or giving a sum to the general endowment of his college, and reforming the entrance requirements, the financial practices, and the scholastic standards of his institution. This situation makes it necessary to present qualitative influence without immediately showing the quantitative grant that made the influence possible.[7]

REMEDIES FOR EDUCATIONAL CHAOS

The first efforts of the foundations to influence the development of higher education, according to Dr. Hollis, were directed toward a differentiation and coordination of the levels of education, which he stated "approached chaos" around 1902–5.

It is not proposed to discuss whether the conditions existing in the educational system at that time were chaotic or inefficient; nor is it intended to deny that the foundation and the General Education Board were sincere in their belief that the system should be improved. It is true, however, that neither of these organizations announced to the public their intention to reform the educational system. On the contrary, the board asserted on many occasions that it was determined not to interfere with the institutions, nor direct their policies.[8] The president of the foundation, in writing of the early activities of the foundation, admitted that originally even the founder, Andrew Carnegie, was not aware of any intention other than the commendable one of awarding a free pension, and in 1935 Mr. Pritchett accepted the fully responsibility for inculcating the reform idea in the pension awards.

Moreover, it is not intended to evaluate the merits of the objective and references are cited merely as indications of the intention and attitude of the two foundations which first entered this educational field. Additional references taken from the reports of the individual foundations will be included in later sections of this part, dealing with the individual foundation activity in education.

Dr. Hollis takes a very practical view of the manner in which foundations approached the situation and the logical conclusion to be drawn, when he writes:

> As a condition of awarding a pension to a college professor what could be more plausible than the necessity for defining a college? Both the logic of the situation and the desire for the money caused colleges to seek the scrutiny of the foundation. By this indirection the foundation was being importuned to do what President Pritchett most wished, and what he probably could not

[6] Philanthropic Foundations and Higher Education.
[7] Ibid., p. 127.
[8] See sections on Foundation and Board.

have accomplished by any amount of direct grants. With pensions as the inducement the Carnegie plan for improving the colleges was explicit and avowed; the scholastic, financial, and control standards that were demanded for affiliation guaranteed that the institution would be a real college. Despite its protestations to the contrary, the General Education Board sought to effect the same reforms. I used grants to capital outlay and to general endowment as the inducement and its leadership was canny enough not to print or use an inflexible set of standards. The college seeking assistance was judged in terms of its promise within the local area. The board "made a thorough study" of the institutions calling themselves colleges and from this factual survey came to a conclusion similar to that of the Carnegie Foundation as to what should be done. Each foundation decided to organize and lead a superior system of colleges and universities as a demonstration to the rest of the country. Their purposes were almost identical, though their methods of work were radically different, as were also their attitudes toward church-controlled colleges. The actions of the Carnegie Foundation were the more open and therefore will enter more fully into this narrative. But this circumstance should not obscure the fact that the General Education Board program sought similar goals and was just as assiduously conducted.[9]

Dr. Hollis goes on to say that, using this as a basis [eligibility for a Carnegie pension], the specific requirements were established as to what constituted a "college," and these requirements were later agreed to in principle at a conference, sponsored by the foundations of all agencies interested in improving college entrance requirements.

Dr. Hollis, in comparing the policies of the foundation and the General Education Board, refers to the former's standards as an "all or none" dictum which "was happily absent in the more flexible, less explicit plans of the General Education Board for improving colleges." [10]

Dr. Hollis referred to the setting up of means for improving college entrance requirements which grew out of the indictment of the so-called mechanical credits which were congesting the colleges with inadequately prepared students and again notes the contribution of the foundation when he states:

At every stage of this complex kaleidoscopic problem, the philanthropic foundations interested in higher education have been alined with the progressive educators who are seeking such changes as those described as taking part at the University of Chicago. * * * In addition to cash, the above organizations and the Carnegie Foundation furnished the highly valuable services of professional staff members.

Psychological examinations, comprehensive achievement tests, cumulative permanent record forms, and related admission devices had to be planned and perfected before much actual progress could be made in improving the certificate plan of admission by units. The best professional and technical abilities of the universities and nonteaching research agencies were given to the construction of these instruments. Columbia, Chicago, and Stanford Universities were the centers in which most of this research was done, but other universities made notable contributions. The American Council on Education provided the general administrative and supervisory direction necessary to coordinate such a large cooperative undertaking. The philanthropic foundations provided $1,212,450 of the sum necessary for the work.

The six regional accrediting associations have jointly and severally been granted $150,000 as a supplement to other resources, for studies looking toward the formulation and application of qualitative standards for accrediting high schools and colleges. The north Central Association of Colleges and Secondary Schools has alone received foundation grants totaling $115,000. This sum has been devoted to developing standards for judging the effectiveness of the 285 institutions of higher education in the upper Mississippi Basin. It is expected that the research will aid in a determination and statement of the aims, purposes, and general philosophy of secondary and higher education. Aided by a foundation grant of $25,000, the Committee of Twenty-one, representing the six

[9] Ibid., pp. 129–130.
[10] See sections on Carnegie Foundation and Rockfeller General Education Board.

regional accrediting associations of the United States, is conducting a study of accrediting that is focused on the secondary school. It has undertaken the formulation of standards for accrediting high schools, and the outlining of procedures for their application and adaptation by the regional associations. Several of the regional associations are individually undertaking minor studies aimed at the solution of parts of the general problem. Educational and foundation officials are united in the determination of supplement or supplant quantitative accrediting with qualitative measures for admission to and progress through high school and college.[11]

According to Dr. Hollis, the method of the General Education Board was preferable in many respects, particularly in that it was more tolerant than the foundation of which he states: "The limitation of funds, and the conception of the trust itself, as well as the philosophy of its first president, tended to maintain a rigid pattern of action." [12]

He points out that the board, while it had a regard for high entrance requirements, did not insist that colleges "conform to preconceived general standards, regardless of actual local conditions." [13]

It recognized that the difference in educational, financial, and social conditions in various parts of the country made it impossible, even in medical education, to achieve complete uniformity all at once, and that to force the issue might merely result in changing the terms rather than in fact raising standards. It was Dr. Hollis' opinion that the failure to follow such a policy was "The basic cause for the early bickering, strife, and only partial success of the foundation's college admission efforts."

Much dissension has arisen over the use of the so-called unit and in later years the Carnegie Foundation was to vigorously attempt to disassociate itself from it. In that connection it should be noted for the record that the foundation and the board did not invent the unit as a device for measuring progress through secondary schools but they did contribute to securing its more effective enforcement. They therefore share with the schools the responsibility for introducing it into secondary education although its retention past its usefulness may be charged to the schools through their accrediting associations.

Both the foundation and the board were in agreement that the chief offenders against standards were the various Protestant religious denominations,[14] and both agreed that there should be concentration of effort in a few colleges which would have the effect of eliminating the weak colleges through lack of finances and other causes. However, the methods selected by the foundation and the general education board differed materially.

The bylaws of the foundation provided that no institution could share in its pension fund if it remained under the control of a religious group. The foundation also required that all affiliated institutions have a 4-year curriculum and at least 6 full professors. (This automatically established the size of the liberal arts colleges, namely, six departments); [15] and required a minimum endowment or in the case of State universities, an annual income.

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[11] Ibid., pp. 144–146.
[12] Ibid., pp. 133–134.
[13] Ibid., p. 135.
[14] Ibid., p. 138.
[15] After 1921 this was increased to 8.

The board approaches the problem by "systematic and helpful corroboration with the religious denominations, which took the form of direct support of the stronger of such colleges.[16]

Both the foundation and the board had concluded that by withholding funds from "the weak and tottering or superfluous colleges," as they were referred to, these institutions would die a natural death, consolidate or perhaps even coordinate with institutions selected by the foundations as pivotal institutions. However, he adds, the results have not borne out that conclusion—the Office of Education Directory listing some 2,000 institutions of higher education in this country.

Moreover, according to Dr. Hollis, the waste, duplication and lack of articulation are still evident, and according to Dr. Hollis were as bad after the first World War as those facing the foundation at the turn of the century.

* * * Accompanying this dissatisfaction with organization was an even greater disapproval of the traditional content of the courses and their organization into curricula. The manner of being admitted to and guided through these offerings was reopened for further study. In short, after 1918 there was a new start in efforts to resolve the confusion existing in American higher education, and the philanthropic foundations influenced most of these undertakings.

After the war the philanthropic foundations entered into a more satisfying relation with higher education. They were no longer forced to seek change by indirection; rather, they directly concentrated their grants and influence to remedy some of the more glaring deficiencies that had been revealed by the war. A more favorable public attitude toward philanthropic trusts made their new approach possible. They now directly cooperated with the professional forces of higher education in a new attack on the problems of organization to assure institutional operation that would be more effective in modern life.

By 1920 about 90 percent of all college admissions were by the certification of 15 or more variously required units of the type of credit described by Learned. Under this system inadequately prepared students were congesting the colleges. At the same time the system hampered the effectiveness of the high school in serving the much larger group of students who would not enter college. Those college and foundation officials who subscribed to Learned's indictment of mechanical credits began to pool their money and talents to provide means for improving college entrance devices, and this soon led to more fundamental studies of the relations of secondary to higher education.

In addition to what may be termed "direct" activities, i. e., funds granted to institutions themselves, or for projects in the teaching or educational field all of the Carnegie and Rockefeller Foundations made direct contributions of funds to the following organizations:

Adult Education [17]
American Council on Education
Cooperative Test Service
Educational Records Bureau
Institute of International Education
London School of Economics
National Education Association
Progressive Education Association.

Because of the effect of several universities on education, foundations' grants to these institutions have been tabulated. The institutions are:

Columbia University
Columbia University Teachers College
University of Chicago
Lincoln School.

[16] Ibid., pp. 138–140.
[17] Including grants to American Association for Adult Education.

THE CARNEGIE CORPORATION OF NEW YORK—THE CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING

CARNEGIE CORPORATION OF NEW YORK

ESTABLISHMENT, PURPOSES, ASSETS

The Carnegie Corporation of New York was the last of the philanthropic agencies created by Andrew Carnegie, and he served as its president until his death 8 years later in 1919. It was established "to promote the advancement and diffusion of knowledge and understanding" among the people of the United States and the British Dominions. Of its $135,336,869 endowment, $12 million is applicable to enterprises in the British Dominions and Colonies, at the discretion of the trustees. As of 1951 the assets of the corporation were $175,890,810.[1]

The corporation is managed by a board of 15 trustees, 4 of whom are ex officio, 3 are presidents also of other Carnegie funds, and the president of the corporation.

GENERAL POLICY

The corporation makes grants chiefly to universities, colleges, and other organizations which the trustees believe can contribute to "the advancement and diffusion of knowledge and understanding," and devotes its entire annual income (except that necessary for administrative purposes) to such grants. Its officers do not attempt to keep in active touch with programs, nor plan nor direct projects, full responsibility being assigned to the recipient.

Question 1. From 1911 to 1952, inclusive, the last year for which the annual report is available, the corporation made funds available to:

	Appropriations
Universities, colleges, and schools in the United States [1]	$56, 838, 274
For adult education [2]	3, 012, 875
American Council on Education	1, 012, 875
Columbia University	2, 687, 265
Cooperative Test Service, Educational Records Bureau, Graduate Record, College Entrance Examination Board	90, 924
Institute of International Education	2, 366, 326
National Citizens Commission for the Public Schools	750, 000
National Education Association	261, 500
Progressive Education Association [3]	76, 485
Teachers College	3, 727, 650
University of Chicago	2, 419, 450
Total	73, 243, 624

[1] Does not include Columbia University Teachers College or University of Chicago.
[2] Including grants to the American Association for Adult Education.
[3] Now called American Education Fellowship.

Funds were given to other organizations, such as the National Advisory Council on Radio in Education, whose activities were less directly related to education, but time did not permit exploring them in detail. A brief description of the type of activity carried on by the

[1] Basic Facts About Carnegie Corporation of New York and Carnegie Foundation for the Advancement of Teaching, published by the corporation in August 1952.

American Council on Education, the National Education Association, and the Progressive Education Association is given in section 2 of this summary.

Prior to 1930 the major grants of the corporation were for library buildings, laboratories, endowment of liberal arts colleges, development of such colleges through endowment, endowment of medical schools at universities, and endowment, buildings, and support of Carnegie Institute of Technology.

Question 2. All quotations are from the annual reports, and in order to avoid undue length, a few have been selected from many of a similar nature. They appear in the annual reports under the heading of "General Education," unless otherwise indicated.

1937 report

Page 20:

The field of general education, even within the limits of scholarly inquiry is too broad for any single foundation to cover, and, fortunately, more than one foundation is now active therein. The present activities of the corporation, working in close cooperation with the Carnegie Foundation, are the following: tests and measurements and records; comparative education, notably in the study of examinations; professional education, particularly in its relation to professional practice and to supply and demand in personnel; the relation of research to professional education, especially in the graduate school; new developments of undergraduate instruction, supported chiefly by direct grants to institutions; and the maintenance of what may be called educational clearing-houses, as in Australia and New Zealand. * * *

Page 21:

* * * Meanwhile, the problems of professional standards in general, the relations of the professions to one another and to other branches of education, the needs of the public and the degree to which these are being met, have all been comparatively neglected. The corporation has had opportunity to study these questions rather closely in connection with training for librarianship, but its interest includes all professions, large and small, as well as what may be called emerging professions, that is, callings which are gradually assuming a professional status. It is the writer's belief that there is a definite need today to build up a body of doctrine which will be based on reality and not on tradition. * * *

Pages 21, 22:

This general situation opens opportunities to foundations for activities of the greatest usefulness, but, unless the programs themselves are carefully organized and rigidly limited in scope, there is a real danger lest they tend to draw the foundation itself outside its proper sphere of action. It is essential not only that the foundation be insured completeness of relevant data for its study, but also that it be freed from any compulsion to press for action as a means of justifying its conclusions. While it may advise frankly concerning changes, when its advice is sought, it should never agitate for reforms or use its money or influence as a means to a political end.

1938 report

Pages 31, 32, 33: According to the report, on the basis of the general purpose of each of the grants made in the period since 1933–34 for educational studies, they might be divided as follows:

To understand the student	$50,300
To improve teaching	83,100
To show what is being done	129,350
To inform as to educational policy and organization	51,000
To find out what the students learn	191,500
Various other purposes	35,600
Total	540,850

* * * * * * *

The longest unbroken series of grants of this character made by the corporation has been voted to the Institute of Educational Research of Teachers College, Columbia University, and it should be of interest to summarize the results of cooperation with a small group of workers under distinguished leadership. In the 16 years from July 1, 1922, the researches in psychology and education at Teachers College under the direction of Dr. E. L. Thorndike have been supported by grants from the Carnegie Corp., totaling approximately $325,000. The findings are reported in nine books or monographs already published (without cost to the corporation), and nearly a hundred scientific articles, doctoral dissertations, and special reports.

Nor must it be overlooked that, since science advances as a whole, the work of gathering data which others may use, repeating experiments, adding here and there to what others have proved, may in the long run be more valuable than even such striking direct contributions.

1942 report

Pages 14, 15: In the 1942 report the corporation lists as its three major grants those made to the University Center in Atlanta, the Johns Hopkins University in Baltimore, and the New York University in New York.

Referring to the Atlanta enterprise ($150,000), it is noted that far greater grants had been given to it by the General Education Board. Its purpose is stated to be:

* * * a long-planned integration of the work of the several institutions of college grade in that area under terms which will give Atlanta the advantage of a modern university without requiring the constituent colleges to sacrifice their identities. * * *

The grant to New York University ($100,000) was made with the understanding that the fund would be used for current purposes rather than for endowment.

Pages 16, 17—The report then continues:

Two grants totaling $65,000 were made to the Carnegie Foundation for the Advancement of Teaching for continuation of cooperative work with a selected list of graduate and undergraduate schools in developing criteria for admission and in providing a basis for judgment as to ability of those already admitted to candidacy for degrees. A more detailed statement on these studies will appear in the 1942 report of the Carnegie Foundation for the Advancement of Teaching. Additional grants totaling $21,000 were also made to the foundation for two programs undertaken in cooperation with the American Council on Education. Another grant of $10,000 was voted for the formulation of special tests to be used in selecting the persons to be trained under the defense-training program of the United States Office of Education.

As was recorded in last year's report, one of the largest grants voted in 1940–41 made possible the establishment of the Institute of Adult Education at Teachers College, Columbia University. It is a pleasure to report that the institute is rapidly defining a useful role for itself, and that the American Association for Adult Education, now maintained entirely from membership fees, increased its dues-paying constituency during a year when most voluntary professional associations were suffering a decline in membership.

* * * * * * *

Among the adult education programs initiated with corporation support in prewar days, none has proved more timely than that of the Council on Foreign Relations. The regional committees organized in 12 strategic cities across the country have met regularly for discussion of international problems and have joined in producing an interesting summary of these discussions under the title of Some Regional Views on Our Foreign Policy, 1941. An appropriation of $24,000 was voted for the continuation of this program.

In the United States it need no longer be argued that provision for the education of adults is quite as properly a responsibility of the Government as is education at other age levels. The war, indeed, has offered dramatic evidence of the social cost of not affording such opportunities, and the numerous training programs which have been improvised under pressure during the past 2 years

may be expected to continue, with suitable changes and improvements, into peace times. * * *

Question 3. The excerpts from the annual reports given above, as well as the quotations from Dr. Hollis' book, are pertinent to this question also. No attempt will be made to include all the statements in the year books of the corporation. Moreover, it is believed that 1 or 2 in addition to those already given will suffice.

According to Dr. Hollis [2] the foundations are exercising the initiative accorded them to spend most of their money on exploratory work that seems only remotely connected with improving college education on the theory that research must first be done in general education in order to efficiently accomplish college reorganization.

1952 report

Page 14:

One of the developments which has produced the most lively debate in educational circles has been the widespread movement to reinvigorate the ideals embodied in the term "liberal education." The goal is rather widely accepted, but there is substantial difference of opinion as to how to achieve it. The general educationists offer a variety of curricular reforms. Advocates of the Great Books press their claims for the wisdom of the past. Humanists decry the shift of interest from certain disciplines to certain other disciplines. Our colleges are literally awash with formulae for salvation; all of which is healthy and part of the process of getting things done in a democratic, heterogeneous, and always vigorously assertive society.

* * * * * * *

* * * President Conant and his coworkers at Harvard have provided leadership in this direction with their efforts to develop a new approach to the teaching of science as a general education course. During the current year the corporation made a grant to Harvard for the continuation of this work.

The social sciences also have a significant role to play. Serious men cannot accept the view of those humanists who rhapsodize over Platonic generalizations about society but resent the efforts of the modern social scientist to test these generalizations. * * *

* * * Developments such as the new American studies program at Barnard College (see p. 19) and the courses in Asiatic civilization at Columbia University (see p. 21) would be impossible without vigorous participation, indeed, vigorous leadership, on the part of the humanistic fields. But there is nothing in the humanistic fields which offers a guaranty of salvation. They too have turned out narrow technicians when they might have been turning out educated men. They too have often ignored the central concerns of liberal education.

SUMMATION

Based on the foregoing, it can be assumed:

Carnegie Corp. contributed large sums of money to projects which can reasonably be considered "in the educational field" as shown by their activities during the past 40 years.[3]

	In millions
1911–20:	
For library buildings, laboratories, or endowment in liberal arts colleges	$3.5
For development of liberal arts colleges chiefly through endownment	2.8
1931–40:	
For research, study, publication; grants-in-aid to individuals	.5
For development of women's colleges chiefly through endowment	1.5
For development of fine arts and music in academic institutions	2.8
For adult education projects	4.0

[2] Ibid., p. 150.
[3] Basic Facts About Carnegie Corporation of New York and Carnegie Foundation for the Advancement of Teaching, p. 11.

1941–50:	
For area studies in universities	3.0
For research by faculty members; grants-in-aid	2.5
For education in American citizenship and history	2.0
For improvement of educational testing	1.2
For training in social science	3.0
For research in social sciences	2.0
For studies to improve education	4.0
For graduate education in the South	1.2
For education in international affairs	4.0
Total	38.0

This total does not include grants:

	In millions
To Carnegie Institute of Technology	$24.3
For development of schools of medicine	10.0
For support of dental research and education	1.3
For educational projects and for development of educational institutions outside the United States	4.0
For development of college libraries and librarianships; library schools or library interests	8.6
For free pensions for college and university professors	21.5
For others: such as Church Peace Union, Red Cross, etc	3.0
Total	72.7
Grand total	110.7

As mentioned previously, the corporation has contributed $1,237,711 to the work of the National Education Association, the Progressive Education Association, and the American Council on Education, and their combined activities affect education at all levels.

In the early years of the activities of each of these organizations, the amount contributed by the corporation was undoubtedly a sizable portion of the funds available to each of them.

Carnegie Foundation for the Advancement of Teaching

ESTABLISHMENT, PURPOSES

The Carnegie Foundation for the Advancement of Teaching, created by Andrew Carnegie in 1905, was the third of the philanthropic agencies he endowed and like the others has its own funds, trustees, administrative offices, and conducts its own affairs.

Fifteen years before when he was appointed a trustee of Cornell University, Mr. Carnegie had been shocked to find that college teachers were "paid only about as much as office clerks." In the summer of 1904 while on his annual visit to Scotland, he renewed an association with Henry S. Pritchett, a member of Theodore Roosevelt's Cabinet and president of Massachusetts Institute of Technology; and from that meeting grew the establishment of a fund to provide pensions for professors in American universities.

There have been two distinctly different phases of the foundation's activities:

1. Activities designed—

to provide retiring pension without regard to race, sex, creed, or color, for the teachers of universities, colleges, and technical schools—

within those institutions—

who, by reason of long and meritorious service, * * * shall be deemed by the board of directors to be entitled to the assistance and aid of this corporation

or who by reason of old age or disability, may be prevented from continuing in the active work of their profession; to provide for the care and maintenance of the widows and families of the said teachers; to make benefactions to charitable and educational institutions, and generally to promote the cause of science and education * * *[1]

2. Activities designed—

(b) In general, to do and perform all things necessary to encourage, uphold, and dignify the profession of the teacher and the cause of higher education within the United States, the Dominion of Canada, and Newfoundland aforesaid, and to promote the objects of the foundation, with full power, however, to the trustees hereinafter appointed and their successors from time to time to modify the conditions and regulations under which the work shall be carried on, so as to secure the application of funds in the manner best adapted to the conditions of the time.[2]

Until 1913 the foundation confined its activities to the first phase, partly at least because the attitude of the founder was somewhat different than that of its president, Henry Pritchett. The difference is indicated in an exchange of correspondence between the two. Mr. Pritchett apparently was imbued with the idea of coordinating colleges and universities into a more cohesive group.[3] In December 1905, he suggested as a name, "The Carnegie Foundation for Education," and wrote Mr. Carnegie:

While the primary purpose * * * is the formulation of a pension system, our charter enables us to undertake any sort of educational work for colleges and universities * * * it may well happen in the future that our activities may cover a far greater range with respect to education.

The name did not strike the founder favorably:

The Carnegie Foundation for Education does not strike me favorably. "Foundation" seems superfluous. "Carnegie Professional Pension Fund" or "Carnegie Educational Pension Fund" seems to me better. It might be well, I think, for you to ask suggestions for the name from the (directors) * * * I don't think that you should disguise the fact that it is first and foremost a pension fund. The closer union it may bring about is incidental, though important.

Dr. Pritchett, still president in 1916, indirectly confirms this:[4]

The development of a pension system along sound lines is the most direct duty of the trustees, a responsibility all the more important because the pension problem, while a living problem in every State and Province of the United States and Canada, is still involved in confusion.

AS THE FOUNDATION VIEWED IT 20 YEARS LATER

The 1923 report includes the following paragraphs on page 20:

The relation of the foundation to educational development and the studies which it has carried on with respect to various current problems in education have occupied a large part of the activities of the officers and of the staff of the foundations. These studies, which have been published in 16 bulletins, have concerned themselves not only with special problems such as those of medical education, of legal education, and of engineering education, but also with the underlying fundamental questions of education which relate to good teaching, to the content of the curriculum, and to the cost of public education. The establishment of the American Law Institute during the present year, by one of the most distinguished groups of judges, lawyers, and law teachers ever brought

[1] New York State Charter, granted May 8, 1905, surrendered when congressional charter granted.
[2] Sec. 2 (b) of congressional charter, granted March 10, 1906. Sec. 2 (a) contains in slightly different language original provision as to pensions.
[3] Fruit of an Impulse, p. 56.
[4] 11th Annual Report, 1916, p. 17.

together, is directly related to the studies on legal education which the foundation has carried out through its division of educational inquiry. Experience seems to indicate that an agency such as the foundation, standing apart from the immediate institutional life and having no constituency of its own, can do its greatest service by enlisting in such studies the most able students in different institutions, and that out of the contact brought about in such groups between teachers, administrators, and school systems, members of the staff of the foundation, and others there is reached a degree of knowledge and of judgment with regard to these problems which commands a larger respect and attention than can be had from the isolated statement of any one individual.

Outside of the direct activities involved in the study and establishment of pension systems and in the educational inquiries and reports that have been made, the officers of the foundation have necessarily been involved in a number of educational relations of a temporary character having to do with the inauguration and operation of the educational organizations of the country, such as the College Entrance Examination Board, the Association of American Colleges, the Association of American Universities, the American Council on Education, the American Association of University Professors, and the various other organizations of those involved in the work of teaching or organization of education.

It has thus come about that during the 18 years of its history, the foundation, while pursuing in the main two specific lines of activity—the one having to do with pensions and pension systems, the other having to do with educational studies, has nevertheless, by the very fact of these activities, been involved in greater or less degree with all those complex relations in education which arise by reason of the relationships between the schools of a nation, and the various bodies that have to do with education. The foundation has sought, during these years to be hospitably minded toward any agency in education that cared for its cooperation.

According to Dr. Savage,[5] Dr. Pritchett's "pet idea" was realized by Carnegie's grant to the foundation for establishment of a division of educational inquiry, and credits "Pritchett's patient persistence."

Dr. Hollis quotes Dr. Pritchett as saying:[6]

I put forward the suggestion, that while the primary purpose of Mr. Carnegie's gift was the establishment of a pension system there would be involved in the administration of this gift a scrutiny of education which would not only be desirable in the granting of pensions, but would go far to resolve the confusion that then existed in American higher education. There was no general requirement of admission to college. Many institutions that were colleges in name, were really high schools, and many universities were scarcely more than modest colleges. I suggested the notion that in the administration of this agency, some criterion would have to be introduced as to what constituted a college.

ASSETS

The foundation received from its founder and the corporation $32,700,000.[7] Its affairs are managed by a board of 25 trustees and according to the report for 1951 had assets of $12,874,718.84.

In the 1939 report of the foundation appears the following:

The cooperative arrangement between Carnegie Cooperative of New York and the Carnegie Foundation for the Advancement of Teaching respecting projects in the field of higher education has now been in effect for about 15 years. Its success has been unqualified. A series of 148 grants totaling $1,449,393 have been made by the corporation for 85 projects, of which 14, involving 34 grants, have been carried on in the offices of the foundation, and 71 projects involving $1,087,350 in 114 grants have been carried on under the auspices of 41 other educational institutions or bodies. To these the foundation has allocated and transmitted the funds provided by the corporation. On account of 3 projects which could not be carried out as planned, $25,000 was returned to Carnegie Corporation of New York through the foundation. The total of projects effective over the past 15 years is therefore 82.

[5] Ibid., p. 109; Annual Report for 1913, pp. 21–22.
[6] Annual Report for 1935, p. 129.
[7] Basic Facts, p. 13.

GENERAL POLICY

In the distribution of pensions, the foundation set up standards which must be met by institutions in order to be eligible for pension awards—designating those who met the requirements as "accepted" and others as "not accepted." [8]

While as outlined earlier the foundation's activities began as a pension award system for college and university professors, this was shortly used as a springboard into secondary education with the explanation that:

1. It was necessary to define a college in order to grant the pension.
2. In order to define a college it was necessary to establish standards of admission and of college work.
3. If standards of admission were to be established it was necessary to prescribe the courses of study in secondary schools which would fit the student for the college—as defined.

The purposes of the foundation set out in its charter [9] clearly place this agency among those whose sole or primary purpose is of an educational nature, as evidenced by excerpts from its annual reports.

From 1905 to 1951, inclusive, the last year for which complete records are available, the foundation made appropriations to:

Universities, colleges, and schools in the United States	$62, 763, 560
American Council on Education	90. 550
Cooperative Test Service, Educational Records Bureau, Graduate Record, College Entrance Examination Board	2, 850, 000
National Education Association [10]	115, 000
Progressive Education Association [11]	92, 000
Total	66, 011, 110

The foundation, like the corporation, gave funds to the organizations mentioned previously whose activities were also of an educational nature.[12]

Question 1 and question 2. It would be difficult to draw a line of distinction between the quotations applicable to each of these questions, and for that reason both questions will be covered together.

All quotations are from the foundation's annual reports unless otherwise indicated, and are only a few of the many similar quotations which might have been chosen, but which have been ommitted because to include them would be merely repetitious.

Even after establishment of the division of educational inquiry in 1913 [13] the greater portion of foundation funds were appropriated for pensions, or matters directly pertaining thereto, as shown by the following summary of grants from 1905–51: [14]

Retiring allowances and widow's pensions	$59, 298, 459. 42
Support of Teachers Insurance and Annuity Association	513, 465. 37
Grants to colleges to initiate pension plans	775, 678. 79
Pension studies	30, 012. 87
Total	60, 617, 616. 45

[8] Later changed to "associated" and "nonassociated."
[9] See pp. 26–27.
[10] Although the foundation appropriated funds to NEA (either its own or the corporation's) Mr. Pritchett himself was strongly opposed to the association's lobbying activities for a National Department of Education (annual report for 1933).
[11] See footnote 3, p. 17.
[12] See p. 17.
[13] By grant of $1,250,000 from corporation. Total grants of the corporation were $32.7 millions.
[14] Basic Facts, ibid., p. 14.

Studies in education (by the division)	2,115,265.68
Merger of testing agencies	750,000.00
Publications	45,632.18
Cooperative educational studies and research administered but not directed by foundation	1,161,990.34
Southern colleges: To stimulate undergraduate teaching	873,775.54
Total	4,203,963.74

However, this does not mean that the foundation's activities affected only pensions. Even as early as 1907 [15] it was becoming more and more a factor in determining not only what constituted a college, but what type of organization was best for conducting a college, including such matters as the size of the board of trustees, whether or not the president of the college should also be president of the board, and the extent to which alumni should have a government of the institution. The report, referring to fears expressed that "a great gift like this in the hands of a limited number of men might prove a centralized power which would hinder rather than aid the progress of education," discounted such a possibility because the trustees were "in the main college and university presidents who have come up through the profession of teacher, and who are not likely to lose touch with needs and aspirations of teachers." [16]

1911 report

Page 46—The report deplored the fact that:

* * * lack of supervision, both on the part of the General Government, and to a large extent, on the part of the State governments, has resulted not only in an extraordinarily large number of institutions bearing the name college or university, but it has resulted also in the fact that these institutions have become involved in local rivalries, so they represent in very small measure national ideas on national purposes * * *.

The first "inquiry" of the new division, which expanded rapidly, was into the training of teachers and the standards of medical and other professional schools. From the first, emphasis was put on coordination between colleges and universities, between these units and secondary education, and between both and elementary education. The "individualism," "class feeling," and "competition" of educational literature was deplored as was the fact that universities were critical of colleges, that State supported and privately endowed institutions viewed each other with suspicion; and relations existing between colleges and secondary schools, and between liberal and vocational education were referred to as "armed neutrality and open hostility."

Before long, there was to come the recommendation that since educational foundations were conspicuous illustrations of educational cooperation, educational institutions could do no less. The school system is referred to as:

* * * an elaborate hierarchical device that undertakes through successive gradations of textbook makers, superintendents, principals, and supervisors to isolate and prepare each modicum of knowledge and skill so that it may safely be entrusted to the humble teacher at the bottom, who is drilled for a few weeks only, if at all, in directions for administering it ultimately to the child. Meanwhile, superintendents and school boards publicly measure their success by numbers enrolled, by buildings and material equipment added, and by multplied kinds of schooling introduced; and the people are taught to accept this as educa-

[15] 2d annual report of the president and treasurer, 1907, pp. 54–55.
[16] Ibid., p. 63.

tion. Such perversions are ample comment on the thoughtlessness of our formula. Where is the school system that by enlightened and fearless propaganda has convinced its public that education consists first of all in the superior quality and skill of its individual teachers, and is otherwise meaningless?

Qualitative education, as contrasted with the present dependence upon estimates by bulk and housing, signifies a complete transformation in the character and status of the teaching profession. Such a transformation once properly accomplished, the other necessary modifications will inevitably take care of themselves. America, with its hundred millions of people, needs upward of three-quarters of a million men and women to represent her with the childhood and youth of the Nation in a deliberate and thorough educative process. If wars are to cease and democracy is permanently to hold the field, it will be a democracy with sufficient wisdom to confide this, its most responsible task, to its most competent citizens, and to prepare them thoroughly for its safe discharge. Genuine education, in a sense consistent with any honest vision of its meaning, can proceed only through immediate contact with keen minds fully informed and persuaded of what the rising generation may become, and dedicated to such achievement. Persons so equipped will in general not be had unless the distinguished rewards and opportunities of life are attainable through teaching careers. Moreover, these careers must not be mere avenues of promotion, as in notable cases today, but must constitute and be recognized as opportunities for achievement in themselves. Any other course means simply to exploit the future in the interest of the present by abandoning its control to second-rate minds. Plato's provision that the head of the state be the director of education expresses the unavoidable perspective in a completed democracy.

Marked changes must ensue in our present system of schooling if we undertake to carry out an honest interpretation of our avowed aim of "universal education" by making it not only universal but also education. In the first place our elementary and secondary school systems must be thoroughly integrated into one homogeneous and indivisible unit—a varied but coherent 12-year career for mind and body, whereby, as a youth, each citizen may acquire a certificate of the health, intelligence, and character that underlie a successful society * * *

Dr. Hollis [17] comments on the foundation's activities and policies 30 years later:

The foundation had had a real battle to enforce entrance standards in the relatively homogeneous endowed liberal arts colleges concentrated in the East. With the decision to admit State universities to the benefits of the Carnegie pension system it was faced with the problem of applying on a nationwide scale what was in fact a regional accrediting standard for a group of superior institutions. Educational, financial, and social conditions in this larger territory were so uneven that many of the university officials in the South and Middle West urged a flexibility in Carnegie standards in keeping with the realities the colleges faced. After considerable study of the problem the foundation from considerations of "logical consistency" (and possibly financial expediency), decided to leave the rules a Procrustean bed for all affiliated institutions. The foundation was not constructively interested in how a college might reach eligibility, but it did advise the State universities not to raise their standards faster than the high school could meet them, even if that meant delay in securing pensions. Apparently the attitude was that growth could be stimulated by extending the hope of future affiliation.

ELEMENTARY EDUCATION

Considerable attention was given to the place of both the elementary and secondary schools in the educational picture. However, there is indication that after 15 years of effort the foundation itself questioned some of the results.

1923 report

Pages 78, 83: Commenting that after the schools became free from the hard-and-fixed curriculum and new studies intended to broaden student opportunities were added, the report adds that the resulting overexpansion was not entirely advantageous. As an example, it was

[17] Philanthropic Foundations and Higher Education, p. 133.

pointed out that the organization and quantity of subjects had displaced individual contact, relegating to an inferior position the fundamental truth that education does not consist in the amount of information absorbed but rather in the ability to think clearly and to apply the information accumulated to one's everyday life.

> It would, therefore, seem to be fundamental that the elementary school should accept clearly its own limitations. It should make sure that the teaching which is common to all children is done with a sharp discipline of exact requirement, but that a very large part of what is meant to be of cultural value shall be through exercises not followed by examinations, but having as their spring of influence the contact with cultivated and inspiring personalities.
>
> Under this regime the elementary-school curriculum would be greatly simplified.
>
> In the second place, while we must in a democracy proceed upon the assumption that every child is entitled to the fundamentals of an education in the elementary school, we must frankly recognize that a large proportion of the children of the Nation have neither the desire nor the intellectual ability to complete the work of a secondary school with profit to themselves. In no nation in the world is there a task comparable to that of the American teacher in the secondary schools, patiently and devotedly toiling to bring through to graduation multitudes of pupils who have neither the desire nor the ability for intellectual work. The high school should no longer be the refuge for mediocrity that we have made it.
>
> This involves no discrimination against any class or group in the body politic. The stupid or indifferent child is just as likely to be the son of the well-to-do as the son of the day laborer. Teachers are coerced by parents, by school directors, by all the influences that can be brought to bear, to keep in their classes numbers of students whose happiness and usefulness are to be found elsewhere.

Again read without relation to other foundation activities, and without linking with other organizations whose work it supported, this, this too is a reasonable statement of a condition which might need study in order to advance teaching. However, in view of the results attributable to these other organizations in the installation of "uniform standards and curriculum in the public schools," the foundation's statements here and elsewhere in its reports cannot be studied alone.

One of the present conditions, for example, which is undoubtedly attributable to the philosophy reflected in this quotation is the 100-percent promotion rule which exists in many communities, and to which serious objections have been raised.

EUROPEAN INFLUENCE—PRUSSIAN, FRENCH, ENGLISH

At this point it should be noted that throughout the foundation's reports the references are too numerous to mention—there are comparisons between education in this country and education in Europe, always to the detriment of the United States.[18]

The foundation began its exchange of secondary school teachers with Prussia in 1908 and the report for 1909 expressed the hope that more secondary schools and those in charge of them would begin to appreciate the benefits to be had from this exchange.[19] This report, and those for succeeding years, stressed the advantages of incorporating into the American secondary school, the same principles found in Prussian schools with the object of raising the quality of teach-

[18] Annual reports for 1910 (pp. 35–39); 1911 (pp. 36–38); 1913 (pp. 57–59); 1924 (pp. 111, 116), and others.
[19] Annual report for 1909, pp. 46–48.

ing and education in the United States to a level comparable to that of Prussia.

SECONDARY LEVEL

In addition to cooperation and financial assistance to the National Education Association and the Cooperative Test Service, the foundation itself carried on work in this field. Again, there are numerous examples which might be cited from the reports, but only one or two will be included here.

1924 report

Page 107 et seq.: Pointing out that the secondary school is the determining factor in the educational structure, the report goes on to state that through its entrance requirements the college dominates the educational program of the high school, yet at the same time there is an unsatisfactory situation as far as the colleges and professional schools are concerned, because of:

> * * * a growing army of high-school graduates who lack the qualities of intellectual training which would fit them for fruitful college study. They have indeed complied with the formal college requirements for admission, but they have not learned to use their minds. A large number of the unfit are eliminated in their freshman year, a process neither wholesome for the college nor just to those thus summarily dismissed.

The report recommends as a remedy:

> The college can take the first great step by a sweeping change in its entrance requirements. Instead of requiring a dozen subjects and accepting a passing mark on all of them, it must test on a few fundamental subjects on which it will demand a very high order of performance and accept the work of the secondary school in all other subjects. To accept a passing mark of 60 percent has proved demoralizing alike to high school and college, to teacher, and to pupil. In fundamental subjects a high order of performance must be secured. This condition complied with, the college can leave the secondary school free to educate in its own way.

Here again it should be noted that no evaluation is made of this objective, the particular means taken to achieve it; nor is it pertinent whether the results have been good or bad.

In 1928 the foundation began its study of the relations of secondary and higher education in Pennsylvania. This study continued for several years with funds supplied by or through [20] the foundation ($365,091.36), and formed the basis not only for studies of a similar nature both in this country and abroad, but in the publication of a number of pamphlets; and its recommendations have since been put into effect.[21]

1929 report

Page 85:

> To meet the need for a suitable record a new form was devised and is now published by the American Council on Education. On this record a student's ratings in high school and college are presented graphically and comparatively over a period of years so that his particular mental pattern appears at a glance together with the tendencies of his intellectual development. Space is given for standard test and achievement ratings of whatever nature, and provision is made for appropriate personal data on the same comparative and chronological basis, thus presenting an integrated history of a student's educational growth with the pertinent details.

[20] From the corporation.

[21] The most notable example is probably this suggested form which was recommended by the Progressive Education Association for use in the schools.

COLLEGE AND UNIVERSITY LEVEL

There can be no doubt that the foundation carried on many activities at this level, not the least of which were those in connection with its pension fund. One of the expressed hopes of the founder and others was that by this method (removal of financial worries) retirement would be accelerated, and new blood brought into this part of the educational process.

Another example is the experimental program of grants-in-aid to instructional staffs in colleges and universities of the Southeastern States which became operative during 1946–47. The organization of this program was based on 4 strategically located centers, each composed of 1 university group and at least 5 neighboring undergraduate colleges. Each center received annually $15,000 from the foundation, which it matched with $5,000 of its own funds.

1946–47

Page 24: The purpose of the program as stated in the report, is to advance graduate instruction—

* * * to vitalize it; to improve its quality; to help focus attention in college and university alike on the need of improving the general quality of undergraduate teaching. That is the general aim. The choice of ways by which one might seek to achieve this general aim is wide, but, as far as this experimental program is concerned, there has been selected and agreed upon as eminently appropriate, one single way. That particular way is the encouragement of faculty members to carry on research and creative activities in fields in which they are interested and competent. The underlying theory is simple: It is that a teacher actively engaged on a scholarly research or creative project of his own choosing has more than a fair chance of maintaining an intellectual activity which directly and indirectly serves to raise his scholarly self-respect and to make him a more effective teacher. The primary interest of the program, then, is in the teacher and his research, not in the instutition and its administrative and curricular problems and physical resources.

The foundation appropriated $700,000 for this program[22] for a 5-year period, 1946–51.

Graduate testing program, cooperative test service, merger-national testing service: A related activity of the foundation has been the graduate testing program, carried out primarily with funds from the corporation with small additions from the foundation itself.

1944–45 report

Page 13:

* * * In 1929, when the foundation was in the midst of an examination study of secondary and higher education in the State of Pennsylvania, the General Education Board made a grant of half a million dollars to establish an organization for experimental service in the construction and use of educational examinations. This impressive gift, routed through the American Council on Education, was intended for the use of its committee on measurement and guidance which had long been active in studying personnel problems under the direction of the late Herbert E. Hawkes, then dean of Columbia College. There was thus set up an agency known as the Cooperative Test Service which for many years under the wise and vigorous leadership of Dr. Ben D. Wood promoted the construction and use of excellent educational examinations in many fields. One of its notable achievements, developed shortly before the war, was the institution of a common qualifying examination for teachers which has been sponsored by the superintendents of a large number of the most important American cities. This test and the graduate record examination possess many features in common.

[22] Funds furnished by the corporation.

With the outbreak and early progress of the war the active functioning of this agency fell into abeyance although its resources continued to accumulate. Its recent revival under a reorganized committee of control was inevitable in view of the indispensable part which objective measurement has played in the educational preparation of the Armed Forces and appears destined to retain in postwar institutional activities.

With the revived Cooperative Test Service the graduate record office has become closely affiliated in the broader matters of policy. Since February 1945, Dr. Kenneth W. Vaughn, the associate director of the Graduate Record Office, has also held the corresponding position with the Cooperative Test Service. This mutual relationship has contributed much to effect a common understanding between the two organizations and to coordinate their efforts in a common cause.

1946–47 report

Page 33: The following year there is further reference to this subject which culminated in the merger of the testing agencies in 1947.[23]

* * * In the main, this report directed attention to the compelling advantages to American education of such a unification and to the principles on which a national nonprofit agency might be organized. The committee in the final paragraph of its report indicated that its primary concern, in this phase of its work, had been with the principles involved, and that no attention was given to the practical problems of the several organizations whose cooperation was essential to the plan. It expressed the hope that its preliminary report would stimulate the fullest possible discussion of the practical means of arriving at the objective.

In the spirit of this statement the committee recommended the establishment of a new organization to be known as the Cooperative Educational Testing Commission. It recomended further that the College Entrance Examination Board, the Educational Records Bureau, the Cooperative Test Service, and National Committee on Teachers Examinations of the American Council and the Graduate Record Office of the Carnegie Foundation, join in the creation of this commission, and that in addition to assets contributed by these constituent agencies not less than $750,000 be provided by foundation grants.

While the report mentions serious objections raised by representations of the two largest agencies concerned, namely, the American Council on Education and the College Board, it does not state what the objections were, but added that there was no disagreement as to the need for a central agency, or as to its purposes.

MERGER OF TESTING SERVICES, 1947 REPORT

Page 40:

On December 19, 1947, the Board of Regents of the University of the State of New York granted a charter to Educational Testing Service and thus enabled it to begin operations January 1, 1948. Besides the final grant of three-quarters of a million dollars from Carnegie Corporation of New York, there were added to the resources of the new Service approximately $450,000 from the College Entrance Examination Board and the American Council on Education. The initial capital assets of Educational Testing Service therefore reached about $1,200,000.

Three trustees ex officio served in perpetuity: the president of the American Council on Education, the chairman of the College Entrance Examination Board, and the president of the Carnegie Foundation. The board consists of from 9 to 25 trustees.

THE CARNEGIE UNIT

From the beginning the reports placed increasing emphasis on the desirability of "coordinating" all schools throughout the United

[23] 1947–48 report, p. 40.

States, and the setting up of so-called units which became known as Carnegie units.

Dr. Savage,[24] tracing the influence of Dr. Pritchett in the expansion of the foundation's activities into other than pension fields refers to it as a "useful quantitative device"; and the earliest known reference in the public records of the foundation is in 1906. Undoubtedly the foundation worked assiduously for its acceptance, and was successful. When attacks began (as far back as 1909),[25] the foundation replied that it was not standardizing, but merely working for uniformity in entrance examinations, and later [26] that the use of the unit as originally conceived and early promulgated did not tend to injure the educational process, but it was the abuse at a later date by which "the individual student was broken on the wheel of a mechanical device." The foundation's attitude was: "What it has done is to make clear the standards of the colleges themselves, and to throw the light of publicity on the deviations from the standards they themselves have set up.[27]

1947–48 report

Page 29: This report contains a detailed account of the origin, use, and merits of the "unit" which Dr. Savage closes with the following statement:

> Such in outline is the history of one aspect of American higher education in which the Carnegie Foundation for the Advancement of Teaching had an important part. The foundation did not invent the term "unit," nor its definition. In a time of educational confusion such as the country was not again to see until 1945 Dr. Pritchett, for the foundation, used it as one instrument in an endeavor to bring order out of chaos.
>
> The fact that the Carnegie Foundation appears to have been the first philanthropic enterprise professedly to award grants upon carefully considered appraisal of the American college, and, in connection with that appraisal, to use the unit, as invented and defined by others, is probably what led a considerable part of the academic world loosely to prefix to the word "unit" the name "Carnegie." At any rate, the foundation has long considered the implications of the phrase to be unmerited.

SUMMATION

From 1905 to June 30, 1953,[28] the foundation spent $62,763,560 in retiring allowances and approximately $5 million on studies and research in education.

Like its sister agency, the corporation, the foundation has contributed to the work of the National Education Association the Progressive Education Association, and the American Council on Education, as well as to such programs as the Cooperative Test Service, the Graduate Record Service, and the College Entrance Examination Board. While the amounts contributed to these organizations were not as substantial as those of the corporation, nevertheless we can assume that their activities and the results thereof were acceptable to the foundation.[29]

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[24] Ibid., p. 102.
[25] It was asserted that the "unit" was mechanical, tended to work against a true evaluation of the individual, and that in pressing for it the foundation was attempting to impose standards of its own making on American higher education.
[26] Annual report for 1947–48, p. 26.
[27] Annual report for 1909, p. 161.
[28] 48th annual report, 1952–53, p. 44.
[29] See sec. 2 for a description of the activities of each of these organizations.

THE ROCKEFELLER FOUNDATION—GENERAL EDUCATION BOARD

INTRODUCTION

The first of four philanthropic agencies created by John D. Rockefeller, Sr., was the Rockefeller Institute for Medical Research in 1901; the second was the General Education Board, limited to the promotion of education within the United States and its Territories, established in 1903; the Rockefeller Foundation, 1913; and the Laura Spelman Rockefeller Memorial established in 1918 in memory of his wife. His total gifts to each of these were: [30]

The Rockefeller Institute for Medical Research	$60,673,409.45
General Education Board	129,209,167.10
The Rockefeller Foundation	182,851,480.90
The Laura Spelman Rockefeller Memorial	73,985,313.77
Total	446,719,371.22

NOTE.—In 1928 the Laura Spelman Rockefeller Memorial was consolidated with the Rockefeller Foundation, with the exception of 1 or 2 specialized functions, which did not fit into the foundation's program and which were transferred to a new organization called the Spelman Fund of New York along with $10 million to carry on its work. This fund has since been liquidated, as has the General Education Board (on Dec. 31, 1953, when all its funds were entirely distributed).

One other agency in this field—the International Education Board, to which he gave $20,050,947.50—was created by John D. Rockefeller, Jr., in 1923, because of the charter limitations of the General Education Board. At this point it should be noted that the total of half a billion dollars represented by the total of all Mr. Rockefeller's gifts, is not the grand total of expenditures by his various agencies—it is merely the principal to which must be added approximately the same amount in income, which these agencies have also distributed, or yet have to distribute.

REARRANGEMENT OF ACTIVITIES

The General Education Board carried on activities in the field of education from 1902 to the end of 1953, but the Rockefeller Foundation itself did not become active in the field of education for some years after it was established, except to the extent that its work in the medical, health, and agricultural fields may be considered educational.

The Laura Spelman Rockefeller Memorial operated only during the decade 1918–28, and the International Education Board was in existence from 1923–38.

1928–29 report

Pages 3–6: In the board's report that year, referring to the various Rockefeller agencies, is stated that it was becoming evident that the line between the activities of each was not clearly marked, resulting in doubts on the part of the public as to the respective fields, and a duplication of time and expense in the presentation of the same projects to two or more of the boards. A committee was appointed to study the situation and to decide how the work might be carried on in closer and more clearly defined cooperative relations. It recommended that a new corporation, the Rockefeller Foundation, be created, into which would be merged the former Rockefeller Foundation and the Laura

[30] Story of the Rockefeller Foundation, Raymond B. Fosdick, p. ix.

Spelman Rockefeller Memorial. A further recommendation was extension of the scope of the new foundation to embrace as a major function—

the advancement of knowledge in—
(1) the medical sciences,
(2) the natural science (taking over the program in foreign countries of the International Education Board),
(3) the social sciences (formerly carried on by the Laura Spelman Rockefeller Memorial), and
(4) the humanities;
and the appointment of a director and staff for each of these fields.

The final recommendation was division of the field of education in the United States between the Rockefeller Foundation and the General Education Board, along definitely determined lines. The net result of this was to create two Rockefeller agencies: The Rockefeller Foundation, a broad and general operation; and the General Education Board with activities limited to the promotion of education in the United States.

According to this, "education" would fall into the orbit of the board and "research" into that of the foundation. In the case of an undertaking which embraces both objectives, the deciding factor was the principal one, if the motive was education then it was a board activity—if research a foundation activity.

The board from that time dealt chiefly with institutions rather than with learned societies or research agencies. Also, it did not sponsor individual research projects after that time except in educational psychology and the educational processes that fell within its designated fields. Thus, the exclusive activities of the board after that related chiefly to college education, public education and the processes of education, the application of art to industry, and aid in accounting methods and administration.

That year also the board withdraw from the field of medical education because it felt that its part in the endeavor had been completed. During the period 1913 to June 20, 1929, the board had contributed a total of $87,154,319.33 to universities and colleges for whites, and $18,191,328.39 to colleges and schools for Negroes, exclusive of any projects carried on in such institutions with board funds.

The Rockefeller General Education Board

ESTABLISHMENT, PURPOSES, ASSETS

Since the board [31] was the first of the Rockefeller philanthropic trusts in the field of education, its activities will be summarized first.

As in the case of the Carnegie agencies no attempt will be made to evaluate the merits of this agency or the Rockefeller Foundation, and this section of the summary like the other sections will be devoted to ascertaining whether it is possible to find answers to the questions raised in the opening statement.

However, it should be noted that when Mr. Rockefeller gave the $1 million to the board in 1902, he referred to the fact that the immediate work of the board would be in studying the needs and aiding to promote the educational interests of the people of the Southern

[31] The General Education Board will be designated throughout this section as the board.

States, and during the early portion of its life, it was in these areas that the board's activities were concentrated. It should also be noted that the first permanent endowment, in 1905, amounting to $10 million was expressly designed to furnish an income—

to be distributed to, or used for the benefit of, such institutions of learning at such times, in such amounts, for such purposes, and under such conditions or employed in such ways as the board may deem best adapted to promote a comprehensive system of higher education in the United States.[32]

This limitation does not appear in the charter of the board [33] and it was later removed by Mr. Rockefeller in subsequent letters of gift.

Management of the board's affairs was in the board of trustees, consisting of not less than 9 nor more than 17 in number, elected for a 3-year term. In following out its purpose it gave grants toward the support of educational institutions, agencies, and projects, as well as individual fellowships.

Although the board was created in 1902, the first published report was in 1914 and it contains the following introductory note: [34]

This volume gives an account of the activities of the General Education Board from its foundation in 1902 up to June 30, 1914. The board has made annual reports to the United States Department of the Interior and these have been regularly printed in the reports of the Department; but no further report has been hitherto issued, because, as the board's work was felt to be experiemental in character, premature statements respecting the scope and outcome of its efforts were to be avoided. After something more than a decade, tangible results have begun to appear and to their description and consideration the following pages are devoted. Henceforth, statements will be issued annually, and from time to time, a more critical discussion like the present report will be published.

In view of Mr. Rockefeller's deep interest in the South and southern education, particularly elementary, the board at once set to work to acquire a thorough knowledge of conditions in the Southern States and surveys were made, State by State, culminating in a conference of county superintendents in each State. These studies covered the organization of the public-school system, its finances, the number and character of school buildings, the number, training, and pay of public schoolteachers, private and public secondary schools, institutions for the higher education of women, schools for the training of teachers, and schools, both public and private, for the education of Negroes.

1902–14 report

Page 13: In a section entitled "Policy of the General Education Board," the report states:

But the studies just referred to did more than supply facts. For out of them a conclusion of far-reaching importance soon emerged. They convinced the board that no fund, however large, could, by direct gifts, contribute a system of public schools; that even if it were possible to develop a system of public schools by private gifts, it would be a positive disservice. The best thing in connection with public-school education is the doing of it. The public school must represent community ideals, community initiative, and community support, even to the point of sacrifice. The General Education Board could be helpful only by respecting this fundamental truth. It therefore felt its way cautiously, conscious of the difficulty, complexity, and delicacy of the situation.

As a statement of policy this language leaves nothing to be desired and as referred to previously, in this respect the avowed intentions of

[32] Letter of gift, June 30, 1905.
[33] Act of Congress, January 12, 1903.
[34] P. XV, annual report, 1902–14.

the Rockefeller agencies were at variance with the avowed intentions of the Carnegie Foundation for the Advancement of Teaching.

Question 1 and question 2. It is difficult, if not impossible, without duplication to completely separate the quotations pertaining to these two questions. For that reason and because they have equal validity in providing answers to both questions, no attempt will be made to distinguish between them.

Unless otherwise indicated, all quotations are from the annual reports of the board, with the year and page as noted. Because the activities of the board which relate to these questions are so varied and also because they fall into certain more or less distinct topics they have been subdivided.

ELEMENTARY AND SECONDARY EDUCATION

1902–14 report

Pages 80, 81, 83: There is a certain amount of overlapping between these two levels of education, and for that reason no dogmatic distinction has been made. Because it saw deficiencies in secondary education in the South, the board approached the problem by selecting a person or persons whose business it was to inform, cultivate, and guide professional, public, and legislative opinions. Believing there was need in every State for trained specialists in the field of secondary education, it felt this individual should also "skillfully and tactfully marshal all available forces for the purpose of securing concerted action calculated in time to realize a secondary school system." Aware of the lack of funds in the hands of the State departments of education, or the State universities themselves, the General Education Board then entered the picture and stated its willingness—

> to make appropriations to the several State universities for the salaried and traveling expenses of a professor of secondary education whose main and principal work shall be to ascertain where the conditions are favorable for the establishment of public high schools not in existence; to visit such places and to endeavor to organize in such places public high schools in accordance with the laws of the State; to endeavor to create in such communities a public sentiment that shall permanently sustain such high schools, and to place the high schools under such local leadership as shall give them intelligent and wise direction, and he and the university shall exercise a fostering care over such institutions.

While stating that the board did not attempt either to indicate or to dictate the lines along which the individuals should exert themselves, it describes their activities in the following terms:

> In addition, the professors of secondary education were high-school evangelists traveling well-nigh incessantly from county to county, returning from time to time to the State university to do their teaching, or to the State capitol to confer with the State superintendent. Wherever they went, they addressed the people, the local school authorities, the county court, teachers, businessmen and business organizations, county and State conferences, etc. They sought almost any sort of opportunity in order to score a point. Law or no law, they urged their hearers to make voluntary efforts toward a county high school, if a start had not yet been made; to add a grade or a teacher to a school already started; to repair the building or to provide a new one; to consolidate weak district schools into a larger one adequate to town or county needs. Nor did they merely expose defects, tender advice, and employ exhortations; they not only urged the policy, but nursed a situation. By correspondence they kept in touch with places already visited; from time to time they returned, to renew pressure or to recognize achievement. * * *

During the 10-year period the board contributed $24,862 in 12 Southern States.

1915–16 report

Page 39: The board held meetings those years on the question of "needed reforms in elementary and secondary education," one outgrowth of which were the Occasional Papers 2 and 3. However, the Board was again quick to state that it was interested only in facilitating the trial of "promising educational experiments under proper conditions."

1918–19 report

Page 41: The board continued to make sums available to the State universities for a professor of secondary education and also made funds available for departments of secondary education. These professors of secondary education were urged and encouraged to work on the high-school curriculum and organization as well as the improvement of teachers in actual service and the administration and effect of State subsidies and Federal grants, and it was around this time that the subject of "public education" was included as a section of the annual report.

Throughout its history the board divided its activities, devoting a section to white colleges and universities, and a section to Negro education.

1923–24 report

Page 29: The board states it was becoming increasingly clear that the professors of secondary education had substantially achieved the purposes for which they were originally supported.

That same report, in referring to the improvement in the State departments of education in the Southern States, announced that it had decided that the need was for trained men and women in the field and with that object in mind it had appropriated in 1922, $50,000 to provide scholarships for persons occupying important posts and increased the sum to $80,000 during the year just closed.

The colleges most frequently selected were:

George Peabody College for Teachers
University of Chicago
Teachers College, Columbia University
Columbia University
Cornell University
University of Wisconsin
Harvard University
University of California
Hampton University

GENERAL EDUCATION INCLUDING TESTING AND ACCREDITING PROJECTS

The board began what it referred to as a general education program in 1933 and it continued for about 5 or 6 years. It was during this period that much of the work of the various testing and accrediting agencies was being done, and for that reason much of the comment in the reports is on that subject.

1933–34 annual report

Page 4: In this report there is the following statement:

From 1929 to 1932 the board gave its support to several projects for the improvement of school and college relationships and for the intensive development

of quality in college education * * *. Through aid to institutions and to educational commissions, there were studies made of the accrediting, examining, and teaching procedures in force at a number of representative institutions and within large areas of the country. At a few places controlled experiments were carried on by the college administrative officers and staff having the responsibility of selecting students and of organizing courses of study for both schools and colleges * * *.

1933–34 annual report

Page 5: Referring to the critics of educational practice and their request for new purposes rather than for further modification in existing routine, the report states:

It was pointed out that too little has been done to discover a form of education universally useful to man in society today; that by formal or informal methods every individual should be made familiar with the forces that he will encounter in daily living; and that apart from special preparation for earning a livelihood, he should be made ready for continuous participation in the responsibilities and satisfactions of life to the extent of his individual ability.

The purposes of a general education for individual and social usefulness can be stated, they believe, in a way that will have meaning for adults as well as for younger students; the adaptation of methods for its attainment will then be practicable through the processes of formal and informal studies. From such considerations the board reached the conclusion that assistance through the further definition and development of general education through appropriate agencies should be one of the purposes of its new program.

This is included at this time in view of the grants made later by the board to other organizations and for types of projects.

BUILDING AMERICA

1935–36 annual report

Page 8: The report contains the following, under a subheading "Reorganization of Subject Matter Fields—Society for Curriculum Study 'Building America'":

In the spring of 1935, a new monthly periodical was launched by the Society for Curriculum Study with the assistance of funds provided by the General Education Board. The magazine represents an attempt on the part of the society to meet a long-felt need in secondary education for visual as well as factual study of contemporary problems of our social, political, and economic life. A characteristic feature of the publication lies in its emphasis upon pictures and graphs as a means of presenting facts and indicating problems. Housing, Men and Machines, Transportation, Health, Power, Recreation, and Youth Faces the World are among the issues already published. Throughout the various types of curriculum, ranging from instruction in subject matter to the newer types organized around basic functions or major interests of society, Building America studies are now being used in valuable organized visual aids and as useful units of study. A further appropriation of $30,000 over a 3-year period was made this year by the board with a view to developing the magazine to a point where it will be self-supporting.

1935–36 annual report

Pages 11, 12, 13:

The various educational accrediting associations of this country are in position to play a significant role in the reorganization of secondary education. For some time now, they have recognized that important modifications in standards and procedures for accrediting are imperative and a cooperative attack on the problem has been organized by a joint committee of 21 members representing the several associations * * *.

$116,000 over a 2-year period has been made by the board to the American Council on Education.

1936–37 report

Pages 60–67: Grants were made that year in support of work by organizations and institutions in the following types of activities:

General planning of educational reorganization: Taking stock of the situation, discussion, and agreement upon the purposes of general education, and planning for such reorganization of general education as is necessary to make it attain these purposes.

Experimentation with the curriculum and evaluation of the results of such experimentations.

Preparation of new instructional materials and experimentation with new methods of teaching: This includes experimentation with new instruments of education such as film and radio.

Recruiting, selection, and education of teachers: This includes the education of teachers already in service as well as work with prospective teachers.

Study of youth: This includes studies of the special needs of various racial and economic groups as well as studies of the needs of all young people for normal physical, intellectual, and personal developments.

Again the organizations selected were the Progressive Education Association, the National Education Association Department of Secondary School Principals, and the American Council on Education as well as the National Council of Parent Education, the American Youth Committee, and Teachers College of Columbia University.

1936–37 annual report

Pages 63–65: Dr. Robert J. Havighurst, director for general education, made some interesting comments in this report. After describing the evolution of the high school from the traditional function of preparing a small selective group for positions in business and industries and another for institutions of higher learning to the education of the mass of youth for more effective living. He states:

The kind of reorganization that the secondary schools must undergo is determined by social change in two different ways. As just indicated, social change has brought young people of the most diverse capacities and interests into the secondary schools which must develop a program to meet their needs. In addition, social change is making new demands upon all people for understanding human nature and society * * * for social change has made it necessary to discard to a large extent old ways of living, many of which could be managed by instinct, habit, tradition, and sheer untrained power * * * While we do not need to develop new physical organs and adapt old ones to the new life, we do need to develop new ways of living and to modify old ones. In this process a reorganized program of general education can play an important part.

* * * one of the most significant things about the actions of educators and educational organizations in this connection is their concern for making a reorganized general education serve to help young people develop a loyalty to democratic ways of living and a confidence in democratic methods of solving social problems.

He goes on to state that both the National Education Association and the Progressive Education Association feel responsible for saying in definite terms what they believe the ideals of democracy to be and how education should be organized to lead to the realization of these ideals.

These comments are particularly significant in the light of the activities of the National Education Association and the Progressive Education Association under what they term "democracy."

1937–38 annual report

Pages 66–69: Dr. Havighurst, after pointing out some of the deficiencies of the high school insofar as the mass of young people were concerned, because the curriculum was geared to the requirements of

the minority, pointed out that while the board could not commit itself to any one approach to these problems, it did extend assistance to a number of responsible and representative organizations with the idea of formulating what, in their opinion, are the underlying purposes of a general education for young people and following that to recommend a series of changes calculated to make "the systematic care and education of youth serve these purposes better."

The board gave as its reasons for selecting the American Council on Education, the National Education Association, the Progressive Education Association, and the regents of the University of the State of New York the fact that "no truly representative canvass of existing knowledge and points of view on the problems of youth could have been made without the participation of these groups."

While Dr. Havighurst felt that the unanimity of these groups in recommending a thoroughgoing reorganization of general education at secondary levels was remarkable such unanimity would actually appear to be only the logical result of the close cooperation and joint projects of these groups and others, including Columbia University and Teachers College.

The board went on to give grants to those organizations which it considered to be factfinding and deliberative and these were the same groups which had done the preliminary studies.

In his report, Dr. Havighurst made the following comments on the work of the American Historical Association, after referring to the various deliberative committee reports which had been effective in shaping American public education during the years roughly of the board's operations:

> The present decade has produced several committees whose reports may be ranked with those of previous decades. Four years ago the commission on social studies of the American Historical Association published an important series of books dealing with the teaching of social studies in the schools. The committee on orientation of secondary education (a committee of the Department of Secondary School Principals of the National Education Association) has produced two reports—one on the Issue of Secondary Education and othe other on the Functions of Secondary Education. The Federal Government's Advisory Committee on Education is now issuing a series of statements on its various inquiries. To these documents may now be added reports coming from several groups which have received aid from the General Education Board.

He goes on to discuss the reports of the regents' inquiry as to the character and cost of education in New York and those of the American Youth Commission.[35]

One of the most important results was the issuance of three major statements on educational policy by the Educational Policies Commission of the National Education Association entitled "The Unique Function of Education in American Democracy," Charles A. Beard; the "Structure of Education in American Democracy," by George D. Strayer; and "The Purposes of Education in American Democracy," by William G. Carr, secretary of the National Education Association.

1938–39 annual report

Pages 87–93: Referring to the board's program in the fields of general education through the American Youth Commission of the American Council on Education, the Educational Policies Commission

[35] How Fare American Youth? Homer P. Rainey; Secondary Education for Youth in America, Harl Douglass; Youth Tell Their Story, Howard M. Bell.

of the National Education Association and the Commission on Secondary School Curriculum of the Progressive Education Association and the inquiry staff of the New York State Board of Regents (reporting that much of the work had been completed or was nearing completion) Dr. Havighurst continues: "And is now serving not only as a basis for changes in the curricula of many secondary schools but as an incentive to experimentation with a variety of procedures for the care and education of young people."

* * * * * * *

Page 93: Dr. Havighurst, referring to the activities of the board states:

Aid to experiments with the curricula of secondary schools and junior colleges and evaluation of the results of such experiments has been an important part of the board's work in general education. Grants for work in this area have included such undertakings as the Progressive Education Association's 8-year experimental study of the 30 schools, the American Council on Education's Cooperative College Study, and the Michigan Secondary School Curriculum Study * * *. The interest was continued by appropriations that year including a continuation of the National Education Association civic education project, one of the major objectives of which was the improvement of civic education in the United States with particular stress on the importance of developing in young people an intelligent, appreciative, and active loyalty to democracy.

1940 annual report

Page 4: A total of some $8,500,000 had been appropriated, the effects of which, the report states, it was too early to judge. But the report continues:

But it can be said with considerable assurance that the studies and experiments which have been aided by the board under its program in general education have made significant contribution toward a better understanding of the problems of youth in an age of rapid social change * * *. Undoubtedly, projects aided by the board had stimulated a widespread interest in the development of ways for improving the care and education of young people; they have built up a new and much-needed body of organized psychological, physiological, and social knowledge about youth; and they have set in motion systematic planning on the part of institutions and national organizations for a continuing consideration of problems involved in the preparation of youth for the democratic way of life.

* * * * * * *

Page 76: Dr. Havighurst once again devoted a special section of his report to discussing the program in child growth and development which the board had been supporting since 1933, continuing the interests evidenced by the Laura Spelman Rockefeller Memorial. From 1933 to the close of 1940, $1,032,888 had been appropriated for studies of adolescents; $519,543 for studies of infancy, and $173,000 for fellowships, conferences, and special studies. In 1940 the board removed the earmarkings of the various sums which prior to that time had been segregated for different phases of the board's programs and that year, 1940, also marked the end of the general education program which began in 1933.

1949 report

Page 34: Referring to the National Citizens Commission for the Public Schools, the report states:

Among the most promising projects for rehabilitating the public schools was that begun during the year by the National Citizens Commission for the Public Schools, New York. This laymen's commission was established upon the advice of a number of leading educators, and under the chairmanship of Mr. Roy E.

Larsen and is arousing latent grassroots interests in the improvement of public education. By means of studies, conferences, printed materials, addresses and publicity the committee intends to bring about community participation in behalf of better school administration, better instruction and more generous support for local educational needs. In publicizing examples of good school and community practices, the Commission hopes to assist thousands of communities in their efforts to build stronger schools. This is the first laymen's attempt to deal with this important educational problem. Toward expenses of its first year, the board appropriated $50,000.

1950 annual report

Page 45: The following year, reporting on this commission the report states: "The Commission has stimulated group action by example rather than by direction." Good practices have been publicized, conferences and study groups have been encouraged, and in response 973 local citizens' committees have been set up across the country to deal with local school problems. The report goes on to state that regional offices have been established and subcommittees set up, and the board appropriated $75,000 for use over the next 2 years.

COLLEGES AND UNIVERSITIES

1902–14 report

Pages 142, 143, 148:

The three main features of the policy of the general education board in dealing with higher education may therefore be expressed as follows:
(1) Preference for centers of wealth and population as the pivots of the system;
(2) Systematic and helpful cooperation with religious denominations;
(3) Concentration of gifts in the form of endowments.

The board tentatively decided that an efficient college should enjoy an income from endowment covering from 40 to 60 percent of its annual expenditures and from these and subsequent reports it would appear that grants from the board were held out as an incentive to institutions to put themselves in this financial position. This procedure is in no wise unusual and was contingent upon the institution itself raising matching or greater sums. And again, no criticism is made of this approach, that such grants were in education fields, and selected educational fields and somewhat too, selected educational institutions, is only pertinent in relation to this question.

Another item which the board refers to as safeguarding the property of the institutions was to give special attention to the business methods of the institutions to whom grants were made and on this point the report states: "* * * The board was indeed bound to exercise as much care in the distribution of its income as in making investment of its principal. For this reason, the business management of colleges applying for contributions has been carefully scrutinized with a view to suggesting such improvements as might be advisable." From this it is reasonable to assume the board at least to a degree decided upon what were efficient methods.

The board itself admits that its grants were in the nature of incentive grants, and of this there can be no doubt, and at this stage in its operations the board also freely admitted that many years would have to elapse before the main task in which the board was assisting could even be approximately completed, but it felt that the board's gift served an indispensable purpose as leverage.

Until 1915 the board's activities were grouped into the following divisions:

(1) Appropriations for colleges and universities
(2) Medical education
(3) Education in the Southern States, including white rural schools, Negro rural schools, and secondary education.
(4) Farm demonstrations
(5) Educational research

In the following years the title selected was somewhat different, but the fields of activity remained practically the same, with professional education becoming a section around 1920.

LINCOLN SCHOOL

1916–17 report

Pages 48–49: This report contains the first mention of the grants made to Lincoln School, and the board states that this is an example of the service that can be performed in "support of educational experiments." It goes on to state that the Teachers College of Columbia University had requested the board to provide the funds needed to conduct a school which endeavored "to organize a liberal curriculum out of so-called modern subjects." The report compared this to its work in the farm demonstrating program and added: "In addition to its primary and essential task—that of endeavoring experimentally to construct another type of education—the Lincoln School will, in the judgment of its promoters, assist in developing a critical attitude throughout the field of education."

1924–25 report

Page 21: The board decided that year that the Lincoln School had a permanent function to perform and it made initial appropriation of $500,000 to Teachers College toward endowment. Referring to its activities later,[36] the board states: "During recent years the appropriations of the board to colleges and universities have been mainly directed to the development of graduate activities." And declaring that a fine line cannot be drawn, it continues: "The board is now looking to the development of graduate instruction and research."

1925–26 annual report

Pages 36–37: In reporting its appropriation of $500,000 toward the endowment of Lincoln School, at the discretion of Teachers College, the board quotes from the annual report of Dr. Russell, dean of Teachers College, as follows:

> Eight years ago, with the support of the general education board, we established the Lincoln School for the purpose of experimenting with the materials of instruction and methods of teaching suitable to a modern school. The success of the undertaking has exceeded all expectations from the standpoint both of a school and of an experiment station.

SUMMATION

Based on the foregoing:

1. The board contributed large sums of money to projects in the educational field.

2. In the course of its activities the board has made grants to the American Council on Education, National Education Association, and

[36] 1927–28 annual report.

the Progressive Education Association and others in the following amounts:

Universities, colleges, and schools in the United States	$257,157,581
For adult education	50,000
American Council on Education	4,841,005
Columbia University [1]	(7,607,525)
Cooperative test service, Education Records Bureau, graduate record, college entrance examination board	3,483,000
Lincoln School of Teachers College [1]	(6,821,104)
National Citizens Commission for the Public Schools	150,000
National Education Association	978,312
Progressive Education Association	4,090,796
Teachers College [1]	(11,576,012)
University of Chicago [1]	(118,225,000)
Total	270,750,694

[1] Grants to these institutions are included in amount shown for universities, colleges, and schools.

The Rockefeller Foundation

ESTABLISHMENT, PURPOSES, ASSETS

As mentioned in the section dealing with the board, the foundation was the last agency created by Mr. Rockefeller which is still in existence. The amounts and dates of his gifts to the foundation [37] were:

1913	$34,430,430.54
1914	65,569,919.46
1917	25,765,506.00
1917	5,500,000.00
1918	1,000,000.00
1919	50,438,768.50
1926	37,000.00
1927	109,856.40
Subtotal	182,851,480.90
1929 [38]	182,851,480.00
Total	[39] 241,608,359.74

The foundation's affairs are under the direction of a board of 21 trustees, elected for 3 years, and its charter [40] states as its purpose "To promote the well-being of mankind throughout the world." As of December 31, 1952, its assets were $167,890,851.75 and its income for that year was $16,893,519. Both principal and income may be spent.

According to the information filed with the Cox committee [41] by the foundation, its expenditures from May 22, 1913, to December 31, 1952,[42] were:

For land, buildings, and fixed equipment	$48,232,370
For endowment and capital funds	70,003,956
For current support of institutions, agencies, projects, and fellowships	340,101,279
Total	458,337,605

For 15 years after its creation the foundation placed its major emphasis on public health and medical education, although a division

[37] This term will be used in this section to refer to the Rockefeller Foundation.
[38] Funds from the Laura Spelman Rockefeller Memorial.
[39] Annual report for 1952 gives $316,220,394 as received from donors.
[40] Incorporated by special act of New York State Legislature, 1913.
[41] And incorporated in annual report for 1952, latest available.
[42] Does not include expenditures of Laura Spelman Rockefeller Memorial prior to consolidation.

of studies had assigned to it several miscellaneous interests, including the training of nurses, aid to dispensaries, human aspects of biology, and anthropology. In time its programs and those of the other Rockefeller agencies began to overlap, and in 1928 after an extended study a plan was evolved whereby all programs of the four Rockefeller boards relating to the advance of human knowledge [43] would be concentrated in the foundation.

The expenditures of the foundation from 1913 to December 31, 1952, in fields of major interest were:

Appropriations for the social sciences, humanities, medicine and public health, and natural sciences and agriculture have been excluded.[44]

While the foundation as mentioned has disclaimed any credit for results, we can assume that their contributions would not have continued had there not been some measure of approval of the activities and the results. Here again, since the foundation is an operating agency only in the field of public health and agriculture, the results of the agencies selected for contributions are pertinent, and particularly insofar as there have been traceable and evident effects in the educational field as the result of the agencies' activities, they are attributable to the foundation itself.

The work of the agencies aided by the foundation have already been described briefly elsewhere, with the exception of the Institute of International Education, which is quite evidently in the field of education, and that description will not be repeated here. It is sufficient to state that the results of their activities are apparent.

Public health and medical sciences	$227,981,638
Natural sciences and agriculture	43,335,198
Social sciences	[45] 63,775,805
Humanities	26,816,321
Total	361,908,962

The foundation, as well as the board,[46] sought to influence higher education largely through the universities and the associations of learned societies, but no attempt will be made to cover the contributions of the foundation or the board to the latter group of organizations. According to Dr. Hollis,[47] the foundation profited by the experience of the Carnegie Foundation for the Advancement of Teaching (whose methods in this field have been discussed earlier) and thus avoided much of the criticism that was directed at that agency. Perhaps another reason was that the foundation came into being after a decade of public awareness, but it should be noted that at its inception the foundation was subjected to severe attack when it applied for a congressional charter, and (although the board had been granted one in 1903) so great was the opposition that the matter was dropped.

For whatever reason, the annual reports of the foundation are much less outspoken in their evaluation of their activities and merely state in narrative and statistical terms the grants made each year. How-

[43] Later expanded to include the dissemination and application of knowledge.
[44] Any overlapping is very slight and does not affect the validity of these figures.
[45] Does not include $55,339,816 disbursed by Laura Spelman Rockefeller Memorial prior to consolidation in 1929.
[46] This term will be used throughout this section to refer to the Rockefeller General Education Board.
[47] Philanthropic Foundations and Higher Education.

ever, a glance at these grants over the years will substantiate the statement that the foundation has been active in the field of education throughout its existence and in some specialized aspects (such as teacher training and the like) it has been particularly active since the early thirties.

Moreover, this is confirmed by the extensive answers of the foundation's Cox committee questionnaire (sec. E).[48] In the preliminary comment to that section there is a statement of the policy of the foundation which can be summed up in the last sentence: "We are ready to state what we have done, but much of the assessment of its worth must be left to others."

1948 annual report

Page 7: Within recent years there has been a brief statement which conveys the foundation's own estimates:

> The chartered purpose of the foundation with its wide scope and its absence of preconceived or specialized interests has in a quite informal and undersigned manner caused the foundation to become one of the crossroads of the scientific, educational, and scholarly world.

SUMMATION

In addition to its direct grants to colleges and universities, the foundation appropriated the following sums from 1929–52:

Universities, colleges, and schools in the United States[1] (estimated)	$335,000,000
For adult education	3,435,500
American Council on Education	1,235,600
Columbia University (1929–52)	33,300,000
Institute of International Education	1,406,405
London School of Economics	4,105,592
National Education Association	31,900
Teachers College	1,750,893
University of Chicago	[2] 60,087,000
Total	440,352,890

[1] Does not include appropriations made to Chicago University, Columbia University, Teachers College, or the London School of Economics.
[2] Includes grants of $35 million by John D. Rockefeller, Sr.

While the greater portion of its expenditures have been in the field of university and college education, it has also contributed to the work of the American Council on Education, the National Education Association, and the Progressive Education Association (as shown by the foregoing table), and also to adult education generally.

Question 3. It is apparent that each of the Carnegie and Rockefeller agencies referred to have carried on activities at all levels of education, either as an operating agency or through its choice of institutions and other organizations.

Among the organizations selected have been: The American Council on Education, the National Education Association, and the Progressive Education Association, the Institute of International Education and the National Citizens Commission for the Public Schools.

[48] P. 79 of Rockefeller Answers to Questionnaires.

The American Council on Education is in the nature of a coordinating agency between the Government and educational institutions and organizations, but also carried on projects which affect education at all levels.

The National Education Association and the Progressive Education Association concentrate on primary and secondary schools.

The Cooperative Test Service, the Educational Records Bureau, and the Graduate Record and College Entrance Examination affect education at all levels.

The Institute of International Education carries on its activities in secondary schools and at college and university levels.

There is considerable evidence that the efforts of the first three of these organizations, to a greater or lesser degree, have resulted in standardization of methods, both as to teaching (including testing and training of teachers) and administrative practices in the field of education.

Even those not in the educational field recognize that today there is, in effect, a national set of standards of education, curricula, and methods of teaching prevailing throughout the United States. As a practical matter, the net result of this is nothing more nor less than a system of education which is uniform throughout the country. Moreover, in the case of the National Education Association, one of its goals for the "united teaching profession in 1951–57," is stated on page 13 of the National Education Association Handbook for 1953–54 to be:

> A strong, adequately staffed State department of education in each State and a more adequate Federal education agency.
>
> * * * * * * *
>
> Equalization and expansion of educational opportunity including needed State and national financing.

The Carnegie and Rockefeller Foundations mentioned have contributed $20,249,947 to these four agencies (or almost 9 percent of the total of all their grants in this field of activity);[49] and since the support has continued up to now it indicates approval and sponsorship of the activities of these agencies and their results.

Among the institutions selected have been: Chicago University, Columbia University (including Teachers College) and the Institute of International Education, and the London School of Economics.

These institutions have received contributions amounting to $194,100,589, or approximately 22 percent of the total grants to all universities, colleges, and schools, including the amount contributed to pension funds by the Carnegie foundations. If the pension funds are excluded, then the contributions represent 27 percent of the funds given universities, colleges, and schools.

[49] Excluding grants to universities, colleges, and schools.

In addition, with the exception of the Rockefeller Foundation, all contributed to the various testing and accrediting agencies which were finally merged into the Educational Testing Service (aided also by grants from these foundations).

The amount and distribution of the appropriations are summarized in the tabulation following:

[In millions of dollars]

	Carnegie		Rockefeller		Total
	Corporation	Foundation	Board	Foundation	
Universities, colleges, and schools in the United States	56.838	62.764	257.158	335.000	711.760
Adult education	3.013	----------	.050	3.436	6.499
American Council on Education	1.013	.092	4.841	1.236	7.182
Columbia University	2.687	----------	7.608	33.300	43.595
Cooperative Test Service, Educational Records Bureau, Graduate Record, College Entrance Examination Board	.091	2.850	3.483	----------	6.424
Institute of International Education	2.366	----------	----------	1.406	3.872
National Citizens Commission for the Public Schools	.750	----------	.150	----------	1.000
National Education Association	.262	.115	.979	.032	1.388
Progressive Education Association	.076	.092	4.091	----------	4.259
Teachers College	3.728	----------	11.576	1.750	17.054
University of Chicago	2.420	----------	118.225	60.087	180.732
Lincoln School of Teachers College	----------	----------	6.821	----------	6.821
London School of Economics	----------	----------	----------	4.106	4.106
Total	----------	----------	----------	----------	994.492

The quotations already given from the various reports relate also to this question regarding the effects of foundation activities in education, and therefore only 1 or 2 additional references will be included.

Probably the most recent self-evaluation by one of this group is that contained in the 1952 Report of the Carnegie Foundation for the Advancement of Teaching, at page 14:

1952 report

Page 14:

One of the developments which has produced the most lively debate in educational circles has been the widespread movement to reinvigorate the ideals embodied in the term "liberal education." The goal is rather widely accepted, but there is substantial difference of opinion as to how to achieve it. The general educationists offer a variety of curricular reforms. Advocates of the great books press their claims for the wisdom of the past. Humanists decry the shift of interest from certain disciplines to certain other disciplines. Our colleges are literally awash with formulae for salvation; all of which is healthy and part of the process of getting things done in a democratic, heterogeneous, and always vigorously assertive society.

* * * * * * *

* * * President Conant and his coworkers at Harvard have provided leadership in this direction with their efforts to develop a new approach to the teaching of science as a general education course. During the current year the corporation made a grant to Harvard for the continuation of this work.

The social sciences also have a significant role to play. Serious men cannot accept the view of those humanists who rhapsodize over platonic generalizations about society but resent the efforts of the modern social scientist to test these generalizations * * *.

* * * Developments such as the new American studies program at Barnard College (see p. 19) and the courses in Asiatic civilization at Columbia University (see p. 21) would be impossible without vigorous participation, indeed, vigorous leadership, on the part of the humanistic fields. But there is nothing in the humanistic fields which offers a guaranty of salvation. They, too, have turned out narrow technicians when they might have been turning out education men. They, too, have often ignored the central concerns of liberal education.

A statement on this point made in the early years of its existence is found on page 87 of the 1902–14 Report of the General Education Board under the heading "Favorable Legislation":

It can fairly be said that in framing and putting through this legislation, the high-school representatives supported by the General Education Board have in every instance taken a leading part. They would, however, be the first to refuse any undue credit. The organizations already mentioned—the Peabody Board, the Southern Education Board, and the Conference for Education in the South—had greatly stimulated the demand for adequate and orderly educational facilities; in every State, local bodies and organizations, State and local officials were working along one line or another to arouse educational interest.

The section concludes with results in terms of increased schools, buildings, and so forth, and the amounts appropriated by individual States for new and improved buildings.

In a later report of the board (1939–40, p. 22) in a section entitled "How Have the General Education Board's Activities Been Related to These Happenings?" there is the following paragraphs:

Board-aided projects have been associated with nearly all the changes described above. It is obvious, however, that these changes have been called forth by the broad social changes of the times, not by the educators, not by educational foundations. If educational changes are well adapted to the broad social changes of the times, they find a place and are incorporated in the continuing social processes.

However, based on the records of the board itself, no other projects which might possibly have resulted in "changes"[50] were selected except those board-aided projects.

The board, in appraising its contributions to the American Council on Education's Cooperative Study of Secondary School Standards (1947–48 report, p. 113), wrote:

Under an earlier program of the General Education Board appropriations were made to the American Council on Education for the study of standards for the secondary schools. The regional accrediting associations for whom the study was undertaken were interested in developing methods of evaluation that would take account of significant qualitative factors, so that less reliance would need to be placed on the purely quantitative criteria in the evaluation of secondary schools. The study committee worked out and tested new criteria and procedures and published its conclusions in four volumes: How To Evaluate a Secondary School, Evaluative Criteria, Educational Temperatures, and a General Report. The committee anticipated that these materials and procedures would need review and revision about every 10 years.

[50] That is, those such as the Eight-Year Study, the Study of Secondary School Curriculum, and the Cooperative Study of General Education.

Since 1938, almost 25 percent of the secondary schools of the country have used the new procedures. In the Southern and Middlewestern States, especially, criteria have been widely used and found helpful in raising the general level of secondary education. Meanwhile, further educational research, experience with war-training programs, and changing relations between secondary schools and colleges have made a general revision of the criteria desirable. The accrediting associations have requested such a revision. An appropriation of $24,500 was made to the American Council on Education for use by a joint committee of the accrediting associations toward the cost of revising the materials and procedures developed in the earlier investigation.

While it is quite true that at the present time $1 billion is not particularly impressive when compared with endowments and Government spending in related fields such as research and the like, two things should be borne in mind. First, at the time the foundations first began making grants to institutions and agencies, they were the biggest and only contributors on that scale in the country. Second, all have had the same policy of giving grants to inaugurate a particular type of project or organization, withdrawing financial aid when it has become self-supporting or aroused the financial interest of other individuals or groups. Dr. Hollis,[51] writing about this phase of foundation giving, states (excerpt from chapter 1, introduction, Philanthropic Foundations and Higher Education, by Ernest Victor Hollis):

Although foundations are important for the volume of money they distribute to cultural undertakings, the essential nature of their influence is not in the aggregate of their contributions. Rather it lies in the fact that the grants may be large enough to provide the essential supplement necessary for foundations to hold the balance of power. In the 1924 fund-raising campaign of 68 leading universities there is an illustration of the powerful influence that foundations may exert even when the amount they contribute is only a small percentage of the total. They contributed only 18.1 percent of the funds raised, but they were reputed to have exerted a dominant influence on the purposes and plans of the campaigns through being the largest single donors. The average size of grants from foundations were $376,322.76 as compared to an average of $5,902.75 from individuals who gave $1,000 or more. About 3.4 percent of the individual givers contributed 59.3 percent of the total fund but because the average of their gifts were not large enough to be considered an essential supplement, they were reputed to have exerted a negligible influence in the policies and programs of these 68 colleges. If such vital and strategic potential powers are a possibility in foundation activities, it should be known whether these new social institutions are committed to a philosophy of social and cultural values in keeping with the needs of a rapidly changing social order.

Dr. Hollis discusses the matter of foundation influence in education at some length, and according to him foundations have influenced higher education notably and increasingly "toward supporting social and cultural ideas and institutions that contribute to a rapidly changing civilization * * * the chief contribution of the foundations (being) in accelerating the rate of acceptance of the ideas they chose to promote."

[51] Ibid, pp. 3–4.

In his opinion the foundations had been "exercising the initiative accorded them to spend most of their money on exploratory work that seems only remotely connected with improving college education" * * * "on the theory that research must first be done in general education if valid college reorganization is to be accomplished."

He asks the question, "To what extent and in what direction has higher education in the United States been influenced by the philosophy, the administration, the activities, and the money of philanthropic foundations?" [52]

In reply he writes:

> In order to answer one must consider not only the degree of educational control or dominance that is exercised by the foundations, but also whether their activities indicate progressive participation in a living culture that looks toward the future, or whether they indicate a static or even reactionary tendency that attempts to maintain the existing social order. While categorical answers cannot be given, enough evidence has been introduced to remove discussion from the realm of biased assertion or mere conjecture.

To the question, "To what extent and in what direction has American higher education been influenced by philanthropic foundations?" [53]

> To what extent and in what direction has American higher education been influenced by philanthropic foundations? An answer to the original question may now be ventured. This study concludes that the extent is roughly $680 million and the direction increasingly toward supporting social and cultural ideas and institutions that contribute to a rapidly changing civilization. Foundations at the start were dissatisfied with existing higher education and they have promoted programs that have, for the most part, been in advance of those prevailing in the institutions with which they have worked. To a large extent these ideas were originated by frontier thinkers within the professions; the chief contribution of the foundations has been in accelerating the rate of acceptance of the ideas they chose to promote.
>
> In contending that these ideas have been closer to the "growing edge" of American culture than were the university practices they proposed to supplant, no claim is made that wiser choices could not have been made or that there has not been occasional overemphasis of foundation-supported ideas, resulting in dislocations and gaps in an ideally conceived pattern of progressive higher education. This study has often been critical of individual ideas, policies, and persons, and has illustrated the foundations' frequent lack of social awareness, their failure to anticipate educational trends, and the presence of unavoidable human fallibility in their official leadership.

The question then arises whether or not the activities of these foundations in the field of education are in harmony with the constitutional provisions with regard to education.

VIEWED IN RELATION TO THE CONSTITUTION

"Education" is not directly referred to in the Constitution, nor in any of the amendments. Under the taxing power as well as the prohibition against discrimination, there have been cases in which the question of educational opportunity or facilities was involved—that is, in decisions as to the constitutionality of State statutes.

There is a long line of cases in which the scope and effect of the 10th amendment have been precisely delineated. It is well estab-

[52] Ibid., p. 282.
[53] Ibid., pp. 294–295.

lished that the reservation contained in that amendment can only be interpreted to mean that, in effect, the rights of sovereignty which the respective States possessed before the adoption of the Constitution, and which they did not specifically relinquish by that document, are expressly reserved to the individual States. It was drafted because the framers of the Constitution and the Bill of Rights were well aware that under the pressure of either "emergency" or "general welfare" the National Government might attempt to assume powers that had not been granted. They were determined to leave no opening for such an assumption, and thus, if further powers seemed necessary in the future, they could only be provided for by amendment in the manner set out in the Constitution.

At times it is erroneously stated that the 10th amendment provides for a distribution of power between the United States and the States—actually, properly stated, it is a reservation of power of the States. This is readily understood when one recognizes that each of the States (Colonies) was actually an autonomous political entity, prior to the ratification of the Constitution. As such each has all the sovereign powers (within its territorial limits) enjoyed by any foreign nation, including unlimited jurisdiction over all persons and things.

Within its own borders, education, at every level of instruction, is the sole province of each of the 48 States. This extends to the curriculum, textbooks, teachers, and methods of instruction, as well as standards of proficiency for both the student and the graduate.

The foundations, it is true, have taken the position that any standards they may have set have been in order to qualify for grants of their funds—but, in their own words, they have had in view achieving a uniformity and conformity of education and educational standards throughout the country.

Each State has by statute prescribed the methods where changes affecting its educational system shall be made, and in the case of drastic changes the usual practice is to present the matter to the electorate for its decision. From the records it is apparent that the foundations did not follow the statutory provisions of the States relating to education—and apparently it never occurred to any of them to consult the authorities concerning those of their "educational" activities which fell within the purview of State regulation. At any rate, at no time did the individual States themselves (either through an elected official or the electorate) have an opportunity to approve or disapprove the changes brought about by foundation funds.

From a practical standpoint—and again it is emphasized regardless of their merits—the changes have occurred; now it is more difficult to determine what the decision of the individual States would have been then had they been consulted, particularly because many of them (invaded as it were through the back door) have been "conditioned" to the invasion, and would probably not display the same vigorous opposition to the intrusion as might have been expected and forthcoming when this encroachment on State powers first began.

KATHRYN CASEY,
Legal Analyst.

Mr. KOCH. May Miss Casey make such running comments as she thinks might be pertinent to help the committee?

Mr. GOODWIN. The Chair would suggest rather than read verbatim something that is in the record, if you might off the cuff make your comment.

Miss CASEY. That is what I plan to do.

Mr. GOODWIN. Very good. Go ahead.

Miss CASEY. First, I want to explain how it was decided to do this. The decision was actually the result of the situation we found ourselves in. In trying to get material on what the foundations had done, we first had recourse to the Cox files to see whether or not there was any firm pattern which all of them followed as far as their activities were concerned.

That was not a very successful operation, so we went back to the annual reports of the foundations themselves. Of course, the four in existence longest were the ones we started with, that is, Carnegie Corporation of New York itself, the Carnegie Foundation for the Advancement of Teaching, the Rockefeller Foundation, and the Rockefeller General Education Board.

The General Education Board no longer exists, having dispensed its funds by the end of 1953. I will give you the total amount of money they spent when I come to that particular organization.

In connection with trying to find out if their activities fell into an easily classifiable group, it developed that these four foundations did. They were education, international affairs, politics, public affairs, propaganda, and some economics.

The other source of information was a bibliography which the Library of Congress furnished our office, and from which I selected books pertaining to these two organizations.

Taking the first of these activities, education, the entire report is devoted to answering three questions. One, have these foundations carried on activities in the field of education at elementary level, at secondary level, and college and university level, and what have these activities been? The third question was, Did such activities have any evident or traceable effects in the educational field?

Once the answers to those questions were determined, the idea was, if possible, to determine if there was any relationship between their activities and education in the light of the constitutional and historic attitudes with regard to it in this country.

Mr. HAYS. Are you reading now from the report?

Miss CASEY. I am paraphrasing it. It is on page 4. Would you like me to tell you the pages as I go along?

Mr. HAYS. It might be a little helpful.

Miss CASEY. All right. I may skip a few pages.

Mr. HAYS. You may skip as many as you like, but if you skip from page 4 to 40—that is not a suggestion—just tell us you are on page 40, or whatever it is.

Miss CASEY. All right.

Mr. GOODWIN. The committee won't criticize you no matter how much you skip.

Miss CASEY. I will cover this rapidly.

The other thing I should tell you is the term "education" as used here means "learning-teaching," not just absorbing knowledge in gen-

eral. That would have necessitated a study of every activity of the foundations and every activity of Government and industry as well, and we did not feel that was going to be productive.

There are several differences between the foundations which are fundamental. In the first place, the Carnegie Foundation for the Advancement of Teaching—this is on page 5—was originally intended to provide retiring allowances for college professors, while the Carnegie Corporation's activity was more general. However, the Foundation for the Advancement of Teaching, rather shortly after it was founded, got into educational activity other than just granting pensions and providing money for pension funds.

The Rockefeller Foundation did not get into education, other than medical education, until around 1928 or 1929. I will come to the exact date further on, and I can give it to you.

The General Education Board from the beginning granted funds for endowment or other purposes.

There was also a difference in approach between the Carnegie organizations and the Rockefeller Foundations, the former being much more direct in their approach than the latter.

In that connection I will read a quotation on page 7, from Dr. Hollis' book, Philanthropic Foundations and Higher Education. He refers to the fact that the Carnegie Foundation for the Advancement of Teaching made their grants in a very direct way, as far as saying they wanted to make changes in the educational system is concerned, that is. Dr. Hollis writes:

> Far-reaching college reform was carefully embedded in many of these noncontroversial grants. It was so skillfully done that few of the grants are directly chargeable to the ultimate reforms they sought to effect. For instance, there is little obvious connection between giving a pension to a college professor or giving a sum to the general endowment of his college, and reforming the entrance requirements, the financial practices, and the scholastic standards of his institution. This situation makes it necessary to present qualitative influence without immediately showing the quantitative grant that made the influence possible.

The Foundation for the Advancement of Teaching, however, set up a definition of what was a college and what curriculum would entitle it to be called a college before they would grant pensions to professors in that institution.

Mr. HAYS. Would you criticize that?

Miss CASEY. Mr. Hays, may I say that I am only reporting on the research which I personally did in relation to these four organizations. My function as a staff member was not to give opinions, but to try to save the time of the committee members by digesting this material for others. Dr. Hollis took a very practical view of the method of accomplishing what they did, because he said, "What better method is there for doing it?"

Mr. HAYS. Do you have any idea how many volumes have been written about the foundations?

Miss CASEY. That is an interesting thing; there are not very many.

Mr. HAYS. That is what I wanted to know.

Miss CASEY. A bibliography appears on page 3. That is not the complete bibliography by any manner of means. There are others, such as Philanthropic Giving, Philanthropic Giving for Foundations, which I did not include because they had no pertinent information to the subject of these four in the field of education.

If you like, I can have the complete bibliography included.

Mr. HAYS. I think it might be interesting. I might later want to ask you why you picked 1 or 2 volumes and did not seem to quote the others.

Miss CASEY. I might say now that many of them said substantially the same thing or else did not particularly deal with the activities of these four in relation to education.

Now I am turning over to page 8. I am not going to read it, but in that connection there is one fact I want to mention. At no time did any one of these four foundations indicate that underlying their activities in giving endowments to institutions or in granting pensions to professors or aything of that type was a determination to change the system. They did not say they were going to change the educational system. They did not in any manner indicate that. From my point of view, there is no attempt in this particular summary to evaluate the merits of what they did or the methods which they used.

On page 10 there is a reference to a quotation of Dr. Hollis comparing the two systems, which I will mention now, because I did make reference to the fact that there were two methods by which they approached the question. He refers to the General Education Board approach as much more flexible than that of the foundation, which he called an all-or-nothing dictum. It was in relation to granting pensions to the institutions.

One of the things the reports show is that in all of them there was considerable discussion of what was referred to as the "Carnegie unit." The various reference books also referred to it, and some were quite critical of the endorsement by the Carnegie system of the unit system.

Later on the Carnegie Foundation was not entirely happy with some of the results and explained its reasons for sponsoring it at that time.

Mr. HAYS. You mean a unit system of teaching?

Miss CASEY. A unit system of credits.

Mr. HAYS. If you left the unit system, you would be getting over into some of—what do they call it—modernistic?

Mr. WORMSER. Progressive.

Mr. HAYS. That is one of the things they want to get away from.

Miss CASEY. First, Mr. Hays, the foundations sponsored the unit system and then later on they argued for its elimination. One of the requirements of the foundation in connection with granting pensions was it said that in order to qualify as a college, an educational institution must have a certain number of professors and teach a certain number of subjects; and, being a teacher, Mr. Hays, you know this, I am sure, at that time there was no requirement as to how many subjects should be included in a college curriculum, nor how many professors there should be. That was one thing the foundations put into effect. So, as a matter of practicality I think originally, the institution had to have six departments in order to qualify as a college. Later they raised it to eight.

Mr. HAYS. That is probably to get away from institutions like Mr. Reece's College of Lawsonomy.

Miss CASEY. I don't know how many departments that has.

Mr. HAYS. It was a standard to go by.

Miss CASEY. The foundation and the board also concluded that if they withheld funds from weak and tottering colleges the institutions

would die a natural death, or would be coordinated into institutions the foundations selected as "pivotal" institutions.

I am going over now to page 15. I shan't quote from that page but there are listed certain organizations, four institutions, and a heading "adult education," a type of activity they went into particularly. American Council on Education, Cooperative Test Service, and the Educational Records Bureau and the related activities of that group, the Institute of International Education, the London School of Economics, the National Education Association and the Progressive Education Association.

Funds from these four foundations flowed into those organizations more often than into others; as a matter of fact, my recollection is that they were the only ones, of this type, that were so generously supported, with the exception of the National Advisory Council on Radio. But these were the ones that the most money went to most frequently.

The institutions were Columbia University, Teachers College, University of Chicago, and the Lincoln School of Teachers College.

I will give later the amount of money available to all of these institutions so I don't believe I will particularly go into the assets they had and the amounts they disposed, except to say that on page 17 there is a breakdown of who received the total of $73,243,624 given by the Carnegie Corporation.

Mr. GOODWIN. That is the corporation by itself without reference to the Foundation for the Advancement of Teaching?

Miss CASEY. Yes, sir; that is right. The agencies I mentioned earlier are also described briefly on pages 17 and 18. Following through, you will find various quotations from their own reports. Practically without exception the quotations are from the annual reports of the individual institutions and organizations, or from the book which I mentioned, of Dr. Hollis, or one of the other books listed in the bibliography. Those are the only sources I quote.

In the 1937 report of the corporation, the quotation begins on page 18, the foundation itself recognized that in this system of setting up agencies which would do the testing, and be accredited, there were some dangers. They mentioned it particularly in this report and refer to the fact that "unless the programs are carefully organized and rigidly limited in scope, there is a real danger lest they tend to draw the foundation outside its proper sphere of action."

They worked for an integration of education and a coordination of it because they felt that would be the best method of aiding both the educational system financially and improving it.

One of the methods that they selected was to have several colleges in a certain area integrate themselves. They mention, the General Education Board does, pivotal institutions which would work with a small group.

Mr. GOODWIN. Have you amplified anywhere what is meant by "understanding the student"?

Miss CASEY. No, sir; they did not go into that. I was unable to find any explanation of exactly how they arrived at their understanding. You are referring to page 19 at the bottom.

Mr. GOODWIN. "Studies to understand the student." Go ahead. There is a lot here I don't understand.

Miss CASEY. Incidentally, that particular page shows a total of half a million dollars, roughly speaking, in that particular field of

activity—educational studies. By 1951, and even earlier than that, the amount of money being spent on that type of thing had increased materially and it is a great deal more now. The policy, I would say, changed drastically.

Mr. GOODWIN. I think it might be sometime a proper inquiry to delve a little more into the purposes. That next to the last in that same classification, "to find out what the students learn."

Miss CASEY. I will see if they have any publications of what the results of these studies were. This was a special group of studies when they were beginning on what they called educational studies. and educational reports. There is no point in that report or subsequent reports at which they explain what this covered. I imagine we could find out by asking them to send their reports on it.

Mr. GOODWIN. No, I would not ask for that. I imagine that before the hearings are concluded, there may be an opportunity to inquire just what was attempted to be found out here.

All right. You may go ahead.

Miss CASEY. Throughout these reports there is constant mention in the foundation reports themselves, and also in Dr. Hollis' book as well as several others, of the fact that they were actually doing exploratory work, in their own words, and that is particularly true of the quotation from Dr. Hollis. He refers to it as the remote theory that research must be done first in general education in order to sufficiently accomplish college reorganization. By that time they were talking rather more directly of reorganizing the colleges, and reorganizing the curriculum.

By the time I had finished going through the reports and these other volumes, it was apparent that the Carnegie Corporation had been engaged in fields which were educational in character. I tried as far as their reports would let me to stick strictly to the educational work and discarded anything about which there might be any question because I felt that would give a better view of what they had done, and what they had not done in education.

Practically without exception—I don't think there is one exception to this in this particular group—they all supported the National Education Association, the American Council on Education, and the Progressive Education Association. Their sponsorship after that varied. Some would choose one and some another. But that, again, I will give you all at the end.

The next one I will take up is the Carnegie Foundation for the Advancement of Teaching. Actually the Carnegie Foundation was older in point of time than the Carnegie Corporation. It entered into its educational work almost immediately whereas the corporation did not. I mentioned earlier that the original purpose was to provide pensions and in that connection it might be interesting to know that Mr. Carnegie himself up to a point was not aware of the fact that Mr. Pritchett, who was then president of the foundation, actually looked upon that as a somewhat secondary item, and the educational activities as its primary purpose.

Mr. Carnegie also did not particularly care for the name "Carnegie Foundation for Education," which was suggested, and thought it should be called a professional pension fund.

On page 30, I have listed the various activities which were organized and sponsored by the foundations, and that was the College Entrance

Examination Board, the Association of American Colleges, the Association of American Universities, the American Council on Education, and the American Association of University Professors.

Mr. HAYS. You say that is on page 30?

Miss CASEY. Yes, sir; it is at the end of the second quotation. In the quotation at the bottom of the page the 1913 report states that "by the very fact of these activities been involved in greater or less degree with all those complex relations in education which arise by reason of the relationships between the schools of a nation," and so forth. The reason for including that is to show that the foundation itself felt it was engaged in educational activities. When it started its original activity in pensions, it had a system which it referred to as "accepted institutions" and "nonaccepted institutions." That particular phraseology was not particularly "acceptable" to the universities and colleges and it was changed rather shortly to "associated" and "nonassociated."

The foundation itself when it began its work in educational activities confined it to colleges and universities. However, later it got into secondary education and even into elementary education, because it went on the premise—this is covered on page 32, incidentally—that before it could grant a pension it was necessary to define a college, and in order to define a college, it was necessary to establish standards of admission and college work. Then if standards of admission were to be established, it was necessary to prescribe the courses of study in secondary schools.

On page 33, there is a tabulation of the funds expended by the foundation from 1905 to 1951. That is roughly $66 million. Of that amount, $62 million went into pensions or related activities, pension funds or studies on pension giving.

All the quotations which I have given so far, and the ones that follow actually bear on all three questions I raised in the beginning. It was very difficult to divide it into these pertaining to questions 1, 2, and 3. While that has been followed more or less, it is not a firm rule.

As to question 3 on page 4, whether there were any trace——

Mr. HAYS. Are you going backwards now?

Miss CASEY. No, I am merely referring to the questions on page 4 in order to indicate their relationship to these quotations. I thought it might be easier for you to follow.

Mr. HAYS. Don't make it too easy. I like to do things the hard way.

Miss CASEY. As to whether or not these activities had any evident or traceable effects in the educational field, beginning on page 34, I would say the answer to that question, as far as its own reports are concerned, is the emphasis was placed on coordination between colleges and other institutions. It was quite critical of the situation in schools and colleges at that point, and also critical of what was referred to as the hierarchical device of gradations which the schools then represented.

On page 37, of the 1919 report, pages 100 and 101, there is one quotation which I think should be read, because it sums up their attitude at that time:

> Marked changes must ensue in our present system of schooling if we undertake to carry out an honest interpretation of our avowed aim of "universal education" by making it not only universal but also education.

Apparently there was a good deal of opposition to the foundation's activities from the very beginning, and Dr. Hollis refers to it frequently, as do most of the others who cover that phase of its activity. Dr. Hollis is very outspoken on that point, and since this is a short quotation I will read it.

The foundation had had a real battle to enforce entrance standards in the relatively homogeneous endowed liberal arts colleges concentrated in the East. With the decision to admit State universities to the benefits of the Carnegie pension system it was faced with the problems of applying on a nationwide scale what was in fact a regional accrediting standard for a group of superior institutions.

The foundation felt there was no need to take into account any difference in financial or social conditions in an area. The standards were the same. The General Education Board, on the contrary, felt that in some areas the regulations in connection with what was a college, what should be the curriculum, and so forth, might differ. But the foundation did not.

About 1923, this is covered on pages 38, 39, and 40, the foundation began to be a little bit worried about the effects of some of their activities and went on to say that the schools should not be set up only for the minority of the students. The difficulties in the schools at that time in preparing all students in a huge number of subjects was quite different from any other country in the world. Throughout the foundation's reports and throughout the others, there is constant reference to the Prussian system of education which it was felt was much more desirable than ours.

One of the results which has been attributed to this foundation's activity is the 100 percent promotion rule which exists in many communities, and which has resulted from putting into effect the philosophy that schools should not be for the minority and their standards should be based on what the greater number of students can achieve. The foundation also recommended that the college take the first step in this reorganization of education by making sweeping changes in its entrance requirements.

This is on page 41, Mr. Hays.

It also worked with the educational groups, such as the National Education Association, the Progressive Education Association, and the American Council on Education, in setting up a record form to be used in the schools, because a report which gave more information about the student's personality and something other than just his attainment record would be desirable, according to the foundation.

Mr. HAYS. You don't intend those quotations on page 41 to be critical?

Miss CASEY. They are intended to indicate the type of work done, and what the foundation itself thought of it.

Mr. HAYS. The reason I ask you that question is because I happen to concur in the items set forth on page 41, and if you thought there was something wrong with them, I thought I would debate it with you.

Miss CASEY. As I said a little while ago, I don't think it is within my province to give an opinion on what was done.

One other method was used in connection with the college- and university-level work, page 43—and this is a followup of a system they had put into effect earlier—in 1946 and 1947 the foundation set up 4 strategically located centers in the South, each composed of 1 university group, and at least 5 neighboring undergraduate colleges.

It was just about this time or shortly before that the foundation, because of its heavy load of financial liabilities on the pension end, became a little less active in the educational studies. The foundation had received a great deal of money in grants from the Carnegie Corporation, and it was decided by both organizations that until the pension fund released some of the money they had put into teachers' annuities and things of that kind, the foundation would lessen its activities and the corporation would probably increase them.

I have already mentioned, and this is referred to again on pages 43 to 45, the fact that it had been active in a graduate testing program and a cooperative test, and also gave the sum of $750,000 received from the Carnegie Corporation around 1948 for the merger of all of the testing agencies, because, it said, while there was not exactly competition there was pulling and hauling between all of them.

In the 1946–47 period, page 45, there is a quotation which refers to this subject which did culminate in the merger of the testing agencies in 1948. The foundation pointed out what was referred to as the compelling advantages to American education of unification of these organizations.

Now, on page 47, there is a more detailed discussion of the Carnegie unit. I won't read it. It is taken from the 1947–48 report. It is Dr. Savage's discussion of the unit. Incidentally, neither the foundation, that is the Carnegie Foundation for the Advancement of Teaching, nor any of the others actually evolved the unit system. They did influence the colleges and universities to accept it, but they did not evolve it.

Mr. HAYS. Then after they accepted it, they pushed to do away with it; is that it?

Miss CASEY. I would say from the record it would appear that way.

The major portion of the foundations' funds have always gone into pension activities. In 1953, which is the last year we have, the relationship is still $62,763,000 to approximately $5,000,000 for research, studies, and education.

Next I will take up the Rockefeller group.

Mr. GOODWIN. Before you go on to that, for my information, were the activities of the Foundation for the Advancement of Teaching confined to the problems of pension and annuities?

Miss CASEY. Most of the money went into that, because it set aside a fund each year for the number of prospective annuitants. By the 1940's I would say that would have become a considerable amount of the money they had received from Mr. Carnegie and others who had given it funds. So at that point their funds were somewhat limited, they received a great deal of money from the Carnegie Corporation incidently, and that is one of the difficulties in segregating their money, Mr. Goodwin. The corporation and the foundation worked very closely together in later years, and it is difficult sometimes to say which is corporation money and which is foundation money. In order to try to separate them, I did not include money that came from the corporation. I have included it as an activity, but it will not show up always in the total you have for the foundation, because it was not possible to say without any possibility of error that the money was foundation money.

So actually you have to almost read the two together.

Mr. GOODWIN. All right. Now, do you want to go along with Rockefeller?

Miss CASEY. The original Rockefeller philanthropic trust was the Institute for Medical Research and the General Education Board was also formed before the Rockefeller Foundation was. The other in what might be called the educational group was the Laura Spelman Memorial Fund, which operated primarily in social studies, and was merged in the Rockefeller Foundation in 1948.

The reason for that was by that time the Board and the foundation had been carrying on activities which were so similar there was duplication of requests and both felt it was an inefficient and uneconomic way to have both doing somewhat the same work.

The total of the Rockefeller grants given either by Mr. Rockefeller himself or at his or at Mrs. Rockefeller's death, totaled half a billion dollars in 1929, when the Laura Spelman-Rockefeller Memorial Funds were consolidated with those of the Rockefeller Foundation.

I think I told you earlier that the General Education Board began in 1902, and that the foundation did not get into education other than medical until around 1928–29. Primarily the foundation concentrated in the beginning on medical research, medical education, dental education to a degree, and agriculture. When they divided the activities between the two about 1929, the Board then was to deal primarily with institutions rather than learned societies and research agencies. Before that it had had some research carried on by other agencies, and also it had research and studies carried on by the learned societies.

As a matter of fact, and this has held true throughout its activities, the board originally at Mr. Rockefeller's wish was set up to operate in Negro colleges and southern colleges because he felt that was an area of the country that needed the most help as far as funds were concerned. From the very beginning, therefore, they divided their activities as to whether they were in white colleges or in Negro colleges. I am sure that is the only reason that division was made.

The Rockefeller General Education Board—and the reason for handling it before the Rockefeller Foundation is because it was in the field of education first—in setting up its activities in connection with secondary education in the South, it first made rather extensive studies, and did not issue an annual report of any kind from 1902, when established, until 1914. That report, which is a consolidated report, said the board had approached the problem by selecting a person or persons whose business it was to inform, cultivate, and guide professional, public, and legislative opinions. This is on page 56.

Such individual, this report goes on, should also—

skillfully and tactfully marshal all available forces for the purpose of securing concerted action calculated in time to realize a secondary school system.

Appropriations were made for various purposes, one of which was to State universities to pay the salary of what they called a professor of secondary education. His main and principal work would be to ascertain where the conditions were favorable for the establishment of public schools and to visit places and endeavor to organize in such places a public high school.

On page 57 there is a quotation which states the board had no intention of dictating or indicating the lines along which these individuals should work. It then describes their activities:

In addition, the professors of secondary education were high-school evangelists, traveling well-nigh incessantly from county to county, returning from time to time to the State university to do their teaching, or to the State capitol to confer with the State superintendent. Wherever they went, they addressed the people, the local school authorities, the county court, teachers, businessmen and business organizations, county and State conferences, etc. They sought almost any sort of opportunity in order to score a point. Law or no law, they urged their hearers to make voluntary efforts toward a county high school, if a start had not yet been made; to add a grade or a teacher to a school already started; to repair the buildings or to provide a new one; to consolidate weak district schools into a larger one adequate to town or county needs. Nor did they merely expose defects, tender advice, and employ exhortations; they not only urged the policy, but nursed a situation.

That is given merely to indicate their activities in the South where they were primarily directed to establishing high schools. In the South the work was entirely in high schools. That was not true of activities elsewhere.

Incidentally, those activities continued only until 1924. The report itself is not definite as to when it started, but I gathered it was shortly after the board was founded in 1902. They were stopped in 1924 because the board felt that they had achieved the purpose for which they had been employed.

About 1933 the board went into what it called a general education program. This had been called eductional studies, but at that point the board set out on what was referred to as the general educational program, which continued for about 5 or 6 years to 1939. It was during that period that most of the work was done with the various testing and accrediting agencies.

In working with the testing agencies, they carried on studies at various institutions. Chiefly: Columbia, Chicago, Teachers College, and the Lincoln School of Teachers College. It was that same year, 1934, that the board began work in connection with what later developed into the Building America series, according to their 1935–36 report. I am on page 60.

Under the subheading Reorganization of Subject Matter Fields—Society for Curriculum Study "Building America," that report refers to it as follows:

The magazine represents an attempt on the part of the society to meet a long-felt need in secondary education for visual as well as factual study of contemporary problems of our social, political, and economic life.

The General Education Board felt these educational testing and accrediting services were very important, because it said they were in a position to play a significant role in the reorganization of secondary education. That was around 1935–36.

Mr. HAYS. Perhaps instead of reading these paragraphs here and there into the record again, if you could give us the significant ones as you see them, and have us underscore them, because what we are going to do now is to read this and read the record again to see the important parts of it.

Miss CASEY. That is why I am giving the page numbers, Mr. Hays.

Mr. HAYS. Why don't you just give us a memo?

Miss CASEY. You mean another one?

Mr. HAYS. I have been following pretty closely now for about 10 minutes, and 95 percent of what you have been doing is reading a sentence or a paragraph here and there through the thing. That is exactly what we tried to get away from to save time.

Miss CASEY. It was those particular paragraphs that I felt were particularly pertinent to show the trend which each agency had taken.

Mr. HAYS. I understand that, and I am not criticizing at all. I am saying it would be easier for the committee in their perusal of this document if we had a list of the highlights with the page numbers, and we can relate them with the page. In this way we have to read not only this document, but the whole transcript again. Do you follow me?

Miss CASEY. I do. For example, I will tell you right now that on page 61 there is a quotation which is particularly pertinent as regards the activities of the General Education Board, and which it pursued from that point on to the end of its existence in 1953.

I will merely read the types of activity they carried on. Is that agreeable?

Mr. HAYS. Sure.

Mr. GOODWIN. That is in line with the suggestion we made earlier, if you could give us now an off-the-cuff dissertation of what is in here, rather than quotations; it would save our time.

Miss CASEY. All right, sir, fine.

Beginning in 1936–37, the General Education Board concentrated on what they referred to as general planning of educational reorganization, experiments with curriculum, preparation of new instructional materials, and selection of teachers in the study of youth.

From then on the major field of activity as far as secondary educational activities are concerned was development of what the board terms a reorganization of secondary education. In doing that it worked closely with the National Education Association and the Progressive Education Association, and to a degree with the American Council on Education.

The stated reason for that was it was felt no study would be complete unless the board had the knowledge of those representative groups.

When its activities in this field of education ended in 1939, this particular phase of education, it was felt they had made a great contribution; that a great deal of good had resulted from it, from the work of the Progressive Education Association and the National Education Association, particularly in relation to the studies which they issued, and from the work of the American Historical Association.

After 1915 the board began to use agencies other than institutions of learning. It was very much interested in the Lincoln School, and the grants to that institution total, I think, something over $6½ million. That continued from about 1918 to the early 1940's. The total amount of money the Rockefeller General Education Board expended in these fields, I will not read them, it is on page 73, was $270,750,694.

There are footnotes on Columbia University, the Lincoln School of Teachers College, and the University of Chicago, which are not

included in the total $270 million, because they are already included in the amount shown for universities, colleges, and schools in the United States.

Mr. HAYS. How long did it take them to spend that money?

Miss CASEY. You mean the $270 million?

Mr. HAYS. Yes.

Miss CASEY. From the time they were formed in 1902.

Mr. HAYS. Congress spends more than that lots of times in an afternoon.

Miss CASEY. You would know more about that than I would, I am sure.

The foundation, as I mentioned earlier, did not get into education right away. It received from Mr. Rockefeller a total of $241 million. That includes the Spelman Fund. It had a great influence by giving money for land and buildings, particularly in the early days, as well as to endowments and gave large sums for medical education at Chicago University and Columbia University.

It was also interested in having the university medical schools either become affiliated with a hospital and the foundation even built hospitals in many instances.

On page 77 there is a comparison between the types of activities in which the foundation engaged. You will notice there are $227 million for public health and medical sciences which is by far the major field in which it operated.

The foundation was much more reticent in taking credit for what it accomplished than the General Education Board of any one of the Carnegie groups. It is mentioned particularly in the Cox committee questionnaire in which it is stated the foundation is perfectly willing to state what it had done, but they felt any assessment of it should be left to others.

Practically the only quotation I think might be merit as its own view of the work appears on page 78 in their 1948 annual report.

From the reports it is apparent that both the Carnegie philanthropic trusts and the Rockefeller philanthropic trusts had carried on activities in the field of education. They had done it in two ways. Either through their own activities as an operating agency, or through choosing other related agencies.

On page 79 there is a total of the amount of money in millions which all four of these organizations spent. It is $994 million.

Mr. HAYS. That is nothing. We have spent as high as $45 billion in an afternoon. You want to get into big money if you want to impress anybody around here. If we passed an Armed Forces appropriation of less than $30 billion, somebody feels they are deprived.

Miss CASEY. I agree, Mr. Hays, that sum is not particularly impressive compared to funds available through Government sources today. But at the time it was going into this field, these four funds were the largest organizations making funds available and contributed the greatest amount of money. They were the only contributors on that scale. All four of the foundations had a common practice, that is, they all felt they should contribute funds to an organization, either to inaugurate it or to get it through its first years of operation and then cease contributions. There are frequent references to the fact that once an organization is self-supporting or getting funds from other

soures, that these four foundations did not feel they should put the money into it.

I will not read Dr. Hollis' comments in connection with the foundations, but you might be interested in reading pages 80 and 81. He refers particularly to a fund-raising campaign of 68 leading universities. He said that while they only contribute 18.1 percent of the funds, they were reputed to have exerted a very predominant influence on the purposes and plans.

He also raises the question to what extent and in what direction has higher education in the United States been influenced by the philosophy of the foundations, and he said that would have to be viewed in the light of all other activities. You will find that quotation on page 42.

Beginning on page 83, there is a two-and-a-quarter-page reference to the question raised in the beginning of the summary as to the relationship of their activities in the educational field in the light of the Constitution and its attitude toward education.

The subject of education is not discussed in the Constitution and is not raised in any one of the amendments to the Constitution, but there is a very long line of cases as to the power and the jurisdiction of the individual States in the light of the 10th amendment to the Constitution. These cases bear out the idea that any power not expressly given to the Federal Government is expressly reserved to the States. Since education is not mentioned, it can be assumed that the question of education is entirely a State province.

The foundations have by their activities and the amount of money they have put into the field of education certainly influenced the matter. I won't read it, but on page 26 of this summary, I refer to the fact that the organizations which I mentioned earlier, National Education Association, Progressive Education Association, and American Council on Education, have to a degree caused a standardization of methods, both as to teaching and as to the testing and training of teachers, and also as always to the curriculum in various schools. There is to a degree, and I would say to a very large degree, uniformity throughout the country as far as educational curricular and methods of teaching are concerned. Of course, that does not cover every institution of learning, but by and large the National Education Association has worked very hard——

Mr. HAYS. Miss Casey, you are discouraging me. I thought we had you up to page 83. Now you are back to 26.

Miss CASEY. You need not be discouraged, Mr. Hays, I only wanted to give you the page number where I mentioned this previously. As I started to say, the National Education Association made that a major activity. We are back now to page 83.

Mr. HAYS. That is the direction I like to travel.

Mr. GOODWIN. This is a temporary retrogression.

Miss CASEY. Each State has prescribed methods whereby change affecting its educational system can be made, and in most instances if there is anything drastic about it, it is provided that it shall be done either by consulting with the proper official or by taking the matter to voters at election time. For that reason, many of these changes would probably not have gone into effect had the foundations at that time had to get the approval of the individual States in order to do it.

To that extent they have encroached on the powers of the individual States.

That is the end; that is page 85.

Mr. GOODWIN. That completes your comments?

Miss CASEY. Yes, sir.

Mr. GOODWIN. Have you anything?

Mr. KOCH. Just for the record, Miss Casey, what other reports are in the works, so to speak, of the staff?

Miss CASEY. As far as I am concerned?

Mr. KOCH. Yes.

Miss CASEY. The others are mentioned on page 3, and the ones covering international affairs, politics, propaganda, and political activities. The reason for making this report as the first is because the same methods are followed in their other activities when these foundations substantially follow the setup that they put into effect in connection with education generally.

Mr. KOCH. Those additional reports are not ready yet; is that right? They may be ready next week or the week after?

Miss CASEY. That is right.

Mr. KOCH. So this is all you have to present today?

Miss CASEY. Yes.

Mr. KOCH. That is all we have to present today.

Mr. GOODWIN. Any questions, Mr. Hays?

Mr. HAYS. No questions.

Mr. GOODWIN. If not, thank you very much for this survey. It shows ample research certainly, and the committee will endeavor to match your industry by our careful reading of the survey.

Mr. HAYS. One question, and not on the report. I think to keep the record in some sort of focus, I don't believe, and I am sure it was inadvertent, that Miss Casey was originally sworn just briefly to testify about some other matter that came out at the time. Could you give us something about your background, Miss Casey?

Miss CASEY. Yes; I will be glad to. I went to public——

Mr. GOODWIN. That doesn't require any information about the date of birth.

Miss CASEY. I was wondering about that. Although I would not mind saying it, I will date myself by my activities.

I am a lawyer. I graduated from law school right here in Washington, Columbus University, a small law school that recently became affiliated with Catholic University.

I have taken various other legal subjects at Catholic University and George Washington University. I did my undergraduate work at the University of California in Berkeley.

My earlier education was in public and parochial schools in the District of Columbia. I have been a lawyer for the last 16 years.

(Discussion off the record.)

Miss CASEY. I started to say I have practiced law since 1940 as a trade association executive and general counsel, and I have practiced before the various Government agencies. I am a registered lobbyist, and have appeared before congressional committees.

Mr. HAYS. You are a registered lobbyist at this point?

Miss CASEY. You never lose it, do you?

Mr. HAYS. I don't know. I have never been one. I just thought it might not make very good headlines if somebody would write that the committee had a registered lobbyist on its staff.

Miss CASEY. Perhaps I should say I was a registered lobbyist.

Mr. HAYS. I think that would be more preferable.

Miss CASEY. Does that cover the extent to which you wish to go, or do you want me to go further?

Mr. HAYS. That is sufficient.

Mr. KOCH. Did you ever write a book?

Miss CASEY. Yes, called Bituminous Coal Code, Annotated, I have also written articles for the magazines on various subjects, including several in connection with the Interstate Commerce Commission, before which I had a fairly extensive practice.

Mr. GOODWIN. I listened in vain for any reference to any activities east of the Hudson River.

Miss CASEY. That is where all have been. My practice has all been in Washington, D. C., Mr. Goodwin. I am admitted to the bar in the District.

Mr. GOODWIN. I referred to the Hudson. Let me say specifically New England.

Miss CASEY. The organization which I represented for some years had a good many members in New England, Mr. Goodwin. It was an agricultural group.

The CHAIRMAN (presiding). In your work with the trade association, I assume it was necessary that you write those articles?

Miss CASEY. At times, but frequently I was requested to write on a particular subject not necessarily connected with my work. I have been admitted to the Bar of the District of Columbia, I am a member of the Bar of the Supreme Court, and have been admitted in the States of Maryland, Pennsylvania, and New York by motion.

Mr. HAYS. That is all.

The CHAIRMAN. Thank you. It is now approximately 4 o'clock so I presume there would hardly be time to take up anything else. As I understood from your conversation just now, it was anticipated that Miss Casey would probably run until tomorow, and you had no one else scheduled.

Mr. WORMSER. That is right.

The CHAIRMAN. Anticipating closing at noon tomorrow.

Mr. KOCK. Somebody put a long plea for a long weekend a couple of weeks ago so can we start on Tuesday morning?

The CHAIRMAN. That would be my inclination.

Mr. HAYS. That suits me. Of course, I don't have the dynamic program for next week from the leadership yet.

The CHAIRMAN. This farm program is coming up and that ought to be dynamic enough.

Mr. HAYS. Could we get some information?

The CHAIRMAN. Mr. Counsel, what is the outlook for next week? I am familiar with one aspect, but you go ahead and state it.

Mr. WORMSER. Mr. Reece wishes some evidence to be brought in on the League for Industrial Democracy, and the American Labor Education Service, and the Twentieth Century Fund. Beyond that, except for occasional interludes for reports which I presume will be introduced shortly, we want then to bring on the major foundations who should have an opportunity to appear.

I would like to discuss with Mr. Hays and Mr. Reece also possibly in what order to put them. I want to suit their convenience as much as I can. I would like to get in touch with them individually and perhaps clear with you two first how it should be done.

Mr. HAYS. I don't know anything about this League for Industrial Democracy, except what I heard here, but are you going to subpena somebody from that organization? I don't want to be obnoxious about it, but I want to know a little bit specifically what we are going to do.

The CHAIRMAN. We anticipated having someone to make a summary of their publications and activities from propaganda and political viewpoints, more or less, and then have some official from the league.

Mr. HAYS. You mean you are going to have someone outside of the organization?

The CHAIRMAN. Yes.

Mr. HAYS. Can you tell me who that is going to be?

The CHAIRMAN. I have in mind Mr. Ken Earle, who was formerly with the Senate Internal Security Committee, who is familiar with the subject, and has done a good deal of research. Mr. Wormser, with my understanding, had requested that he prepare a written statement which we hope will be available Monday for the members of the committee.

Mr. WORMSER. I would like to have as much guidance as I can get on organizing the program.

Mr. HAYS. By the way, right now, what progress have you made in getting the additional material on Facts Forum that I asked you about?

Mr. KOCH. We wrote in for it last Friday.

(Discussion off the record.)

Mr. KOCH. That is in the works now.

Mr. HAYS. Can you follow it up with a wire and get that in, because I am at a sort of standstill.

Mr. KOCH. Mr. Hays, Miss Casey said she telephoned so it will speed it up.

The CHAIRMAN. So far as I know, the committee will meet in this room. If there is any change, there will be an announcement made of it. So the committee will stand adjourned until 10 o'clock Tuesday morning.

(Thereupon at 3:55 p. m., a recess was taken until Tuesday, June 15, 1954, at 10 a. m.)

TAX-EXEMPT FOUNDATIONS

TUESDAY, JUNE 15, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10 a. m., pursuant to recess, in room 304, House Office Building, Hon. Carroll Reece (chairman of the special committee) presiding.

Present: Representatives Reece (presiding), Goodwin, and Hays.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; John Marshall, chief clerk.

The CHAIRMAN. The committee will come to order.

Mr. Wormser, who is the next witness?

Mr. WORMSER. Mr. Earl is the next witness.

The CHAIRMAN. Mr. Earl will take the stand. Will you qualify? That is our custom. Do you solemnly swear the testimony you are about to give in this proceeding shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. EARL. I do.

Mr. HAYS. Mr. Chairman, before we proceed, I would like to put this in in the form of a request, and I hope the committee will see fit to grant it. I received a copy of Mr. Earl's testimony late yesterday afternoon at my office sometime, and I don't know exactly how long, apparently not as long as I had first thought, after the press gallery had received their copies. I had only time to read it over.

And I want to make it clear that I don't know anything about the League for Industrial Democracy. As a matter of fact, I don't know as I have heard of the organization prior to these hearings.

I am not, and I don't want to be, in a position of defending it or condemning it, either one at this time. But since Mr. Earl's testimony is full of prominent names, it is full of paragraphs taken out of context, which I thought I had demonstrated was a dangerous proceeding, I would like to have an adjournment of 24 hours for the purpose of evaluating this testimony so that I can intelligently comment or question Mr. Earl about it.

It may be that everything in his testimony is true. On the other hand, there may be quite a number of things that I would like to look over. And I think before we go ahead and name all of these prominent names, and I want it made clear that I don't intend to name any myself this morning, I believe, Mr. Chairman, under any kind of rules of procedure whatever that it would be only fair that we do have a chance to try to evaluate this so that we can intelligently talk about it.

The CHAIRMAN. Due to circumstances in my family, it was necessary for me to be out of the city over the weekend. So the gentleman from Ohio is 24 hours ahead of me so far as the statement is concerned because I have not had an opportunity to read it.

But without reference to this statement, if I may, Wayne, I would like to make one statement with reference to lifting things out of context.

I think when Mr. Dodd appeared before the committee, and the other witnesses, they had made a studious effort in every instance when a quotation was given, to give the source, the authorship, and enough of the context, a sufficient summation of the context so as not to get in a position of talking quotations out of context.

Now, I don't think, or I am not sure that that same thing can be said about what the gentleman from Ohio did when he read a couple of statements to the committee at a recent session. But so far as the committee members and so far as the committee staff is concerned, they have made a special effort not to get into a position of lifting out of context.

Having heard of the question that you raised with reference to Mr. Earl's statement being released to the press in advance of your receiving a copy, I made inquiry, and I understand that they were sent to the members and sent to the press all in a simultaneous operation. And as to who received the very first copy, I have no information. I did not get mine until this morning. On the other hand, I was not expecting it until this morning since I was out of the city.

The chairman has no disposition so far as he is concerned to rush a hearing. In fact, he has a very important, or there is a very important meeting of the Rules Committee this morning at which my presence is urgently requested, if not needed. And the gentleman from Massachusetts, whose active participation in the committee is highly appreciated and has been most helpful, has an executive session of the Ways and Means Committee this morning. So I think that it would suit our convenience entirely.

But I would suggest that we meet in the afternoon, Wayne, if that is agreeable, so as not to delay too much.

Mr. HAYS. Mr. Chairman, I appreciate the courtesy in partially agreeing with my suggestion, and I would be happy to compromise any way I could, but I just simply won't have time by afternoon to evaluate this.

Now, I will be glad to tailor my convenience to suit the committee in working an extra day, or I would be glad to hear Mr. Dodd whom we have postponed in cross-examination, or anything, to defer it; but I would like to have time to have my office staff evaluate this and look up some of the pamphlets that are quoted from and let me get on my desk the material so that I cannot only read the paragraphs that Mr. Earl has quoted but read some of the preceding and some of the following paragraphs in order to get a grip on the material. Because, frankly, Mr. Chairman, as I said before, this League of Industrial Democracy is obsolutely a new field to me, and it is a thing that I know nothing about. And I just feel that I would like to be a little bit prepared on the subject.

The CHAIRMAN. I am not in a position to evaluate the League for Industrial Democracy upon the basis of the evidence because the evidence has not been presented. But I am not sufficiently naive to say

that I have been around Congress as long as I have and do not know anything about the League for Industrial Democracy. I think its impact has been in evidence in too many areas for me not to have made some observations concerning it.

Mr. HAYS. Mr. Chairman, I will say to you this: that I am just a country boy from Ohio and I am very naive, as anyone who has attended these hearings can see, and so I will plead guilty to it right now.

Mr. GOODWIN. My only interest is that we should get along, Mr. Chairman. I think that we should proceed with these hearings. I would like the forenoon off and the afternoon off, and as the chairman suggested I would like to be over in Ways and Means now as they are in executive session on a very important matter, the Philippine trade bill. I think, however, that this proceeding here is of great importance.

I have been considerably irked as we have gone along with the tremendous amount of time we have wasted here. I am already getting communications from people who are interested, expressing a fear that we will get along to the point where there won't be any time for some of them to be heard.

My only interest is that we should go forward as rapidly as we can.

The CHAIRMAN. The committee will stand in recess until 2:30, for various reasons, all of which have been discussed.

(Thereupon at 10:15 a. m., a recess was taken until 2:30 of the same day.)

AFTERNOON SESSION

The hearing was resumed at 2 p. m.

The CHAIRMAN. The committee will come to order.

I might first say that when the committee meets tomorrow morning, which I presume will be at 10 o'clock, we will meet in the Banking and Currency Committee room, 1301 New House Office Building.

Mr. KOCH. I was going to ask Mr. Earl: Before you read your statement, will you give the committee a brief outline of your history or background? Then the committee might want to ask additional questions.

TESTIMONY OF KEN EARL, ATTORNEY, LEWIS, STRONG & EARL, MOSES LAKE, WASH.

Mr. EARL. Yes, I will be glad to. My name, of course, is Ken Earl. I am an attorney out in the State of Washington now, although for 4 years prior to going out there to practice I was an employee on the staff of the Internal Security Subcommittee and the Immigration Subcommittee over in the Senate. I mean just that, too. I wasn't the counsel or the assistant counsel, or anything of the kind. I was a person who helped out in many of the projects and tasks which they undertook, and, of course, am not at liberty to divulge just what those were.

My home originally was in Nevada. As far as background other than that is concerned, I am a graduate of the Georgetown University Law School and took my undergraduate work in Brigham Young

University, Provo, Utah. Perhaps there are other areas someone would like to ask me about.

Mr. KOCH. How long have you been a member of the bar?

Mr. EARL. Since about 1951.

Mr. KOCH. Are you an expert on foundations?

Mr. EARL. No, sir, I am not an expert on foundations.

Mr. HAYS. I might say that, as I said this morning, I do not know much about this League for Industrial Democracy. In fact, if I were to call myself an expert, I am a 4-hour expert on it, since from 10:30 this morning until now is all the time I have had to do any research on it. Would you say you are an expert on this LID organization?

Mr. EARL. I would say this, Mr. Hays, that as far as the LID is concerned, the LID's publications pretty well speak for themselves, and so a person's main qualification in taking the material which I have to see what the LID has stood for and what it now stands for would be the ability to read and think.

Mr. HAYS. Would you mind telling us how old you are, Mr. Earl?

Mr. EARL. I am 34 years old.

Mr. HAYS. You are 34.

Mr. EARL. Right.

Mr. HAYS. In what year were you born?

Mr. EARL. 1919.

Mr. HAYS. In other words, in 1932, you were about 13 years old?

Mr. EARL. That is approximately right.

Mr. HAYS. Well, we may have occasion to refer to that.

How did you happen to be called to testify before this committee?

Mr. EARL. I was called by the chairman of your committee, because he learned, apparently from someone here in Washington, that I had occasion in the past to at least be interested in the LID and its activities.

The CHAIRMAN. If I may interrupt, I had intended to make a preliminary statement along that line. I became interested, along with the subject of the foundations in general, in the League for Industrial Democracy, and while it may not be a foundation within the accepted impression of foundations, it is a tax-free organization and is a foundation or a comparable organization. Over a period of time, a very considerable amount of literature was acquired by me on the League for Industrial Democracy, as well as some other comparable organizations. And in order to get it in form to be presented, I felt it was best for it to be given to someone who had some background and interest in this subject, and I knew about Mr. Earl and his work with the Internal Security Subcommittee of the Senate, and I called Mr. Earl and asked if he would take what he had and might have access to or get access to, and take the information which I had, and reduce it to a summary which could be presented to the committee. He at first had some uncertainty whether he could take the time to do it, but finally decided that he could do so, and I feel that we are very fortunate to have a young man with his experience, although young, and with his training and overall familiarity with the subject-matter, particularly the phases with which he is dealing, here to present the result of his research to the committee for its evaluation.

Mr. HAYS. In other words, did I understand you to say, Mr. Chairman, that it is really not a foundation? It really has no bearing on this investigation, then, does it?

The CHAIRMAN. I had a telegram from the League for Industrial Democracy today, raising the question whether the League for Industrial Democracy is a foundation. And I presume an accurate definition of foundation may have been formulated with the view of determining the scope of what foundations as embraced in the resolution. But in any event, the resolution under which we are working not only empowers us to investigate foundations but comparable organizations, and the language is written so that I think the committee has authority, for that matter, to investigate any tax-exempt organization, call it whatever you might. But, of course, I think actually the League for Industrial Democracy, receiving tax-free funds, is a foundation in the accepted sense of the word. And it is embraced in the group of some 7,000 foundations to which we have referred.

Mr. HAYS. Let me read a little of a telegram that I have here, a copy of a telegram. It says:

Recent trends indicate critical decisions during 1954 will materially affect Nation's future. * * * Radio tremendous force influencing public particularly grassroots America. * * *

Two labor unions spending over 2 millions annually on radio-television. Surely business should join spending fraction that sum. * * *

I am just reading a few sentences to give you a general idea.

I have no objection to putting the whole thing in the record.

America's future reached successful climax signing 5-year contract Mutual Broadcasting System.

They go on to say they are going to have John T. Flynn. It says:

Make check (tax deductible) payable America's Future, Inc. and send to: Francis A. Smith, first vice president, Marine Trust Co., of western New York, Maine at Seneca, Buffalo, N. Y.

And it is signed by various people and was sent out to the presidents of practically all the large corporations in the country.

Would that come under your purview? If we are going to investigate this LID maybe we ought to investigate this group, too.

The CHAIRMAN. Without having the details, I could not say unquestionably it would come under the purview of this committee.

Mr. HAYS. Then we could just investigate anything that you take tax deductions for, including the Red Cross, according to your definition, is that right? Or your church?

I mean, you are allowed to deduct for that, if you contribute to the church; aren't you?

The CHAIRMAN. Certainly, in the general concept——

Mr. HAYS. I am trying to circumscribe the thing and get some kind of a definition as to how far afield we are going to go.

The CHAIRMAN. Then do you feel that the League for Industrial Democracy is outside the purview of this committee?

Mr. HAYS. Mr. Chairman, that is not the point at issue. The point at issue is who is deciding who the committee will investigate. You decided in your own mind apparently that that is a fertile field, and if you want my opinion you felt you had fallen down so badly with the foundations you had better get something to salvage the situation with, and maybe this would be a good thing. Understand, I am not defending the LID, because I don't know enough about it. But I am just trying to bring out the facts and let the chips fall where they may.

The CHAIRMAN. It was originally the chairman's thought that the LID would have been presented very early in the hearings, very early. And then, as a matter of policy, it was my idea that it was best to outline the broad criticisms first, and then bring in the individual foundations and organizations in accordance with the procedure which was adopted.

Mr. HAYS. I have some more questions. I would like to get this thing in perspective, if there is any way to do it.

You did answer the question about being an expert on this, Mr. Earl.

Now, let me ask you this: Do you have any idea of the membership of the LID in numbers?

Mr. EARL. No, I do not.

Mr. HAYS. Would you know anything about its annual budget?

Mr. EARL. No, I don't. I don't think it is really pertinent.

Mr. HAYS. Well, of course, I didn't ask you that, but since you brought it up, I would be glad to discuss it with you.

Would you think its budget would be similar to that of the Ford Foundation? Do you think it spends $10 million a year? I think it is pertinent to find out what its budget is, so that we will know what its influence is.

Mr. EARL. No, of course it doesn't have a budget like the Ford Foundation. I would think in comparison to Ford it would have a rather modest budget.

Mr. HAYS. A kind of miniscule budget, wouldn't it?

Mr. EARL. A which?

Mr. HAYS. Very minute. That is a good word, isn't it? I hope I am using it the right way. I like the word.

Mr. EARL. In comparison with the Ford Foundation, certainly.

Mr. HAYS. But you don't have any idea of what its budget might be?

Mr. EARL. No, I do not.

Mr. HAYS. Would you be surprised if I told you its annual budget was less than $50,000?

Mr. EARL. No, Washington doesn't surprise me a bit any more.

Mr. HAYS. Well, I can see it is not going to be possible to surprise you very easily. Having been on the McCarthy committee, nothing will probably surprise you.

Mr. EARL. I am very proud of having worked on the McCarthy committee.

Mr. HAYS. If you feel you have to defend it, I would be glad for you to take time to do it.

Mr. EARL. Go right ahead.

Mr. HAYS. Do you have any idea how this organization derives its income, its tax-free money?

Mr. EARL. It is my understanding that it derives the greatest part from contributions from people like you and I.

Mr. HAYS. You mean people of very limited income. I don't know anything about your income, but if you are talking about mine, it is in the limited class.

Mr. KOCH. Minuscule?

Mr. HAYS. Well, there is some debate about this. I am inclined to belong to the school thinking it is minuscule, yes.

Mr. KOCH. Me, too.

Mr. EARL. But I understand that most if not all comes from contributions.

Mr. HAYS. In order that this discussion can proceed with some sort of continuity, you have no objection if, when you are quoting a paragraph, I stop and ask you where it was taken from or ask you a question or two about it, do you?

Mr. EARL. Not at all.

The CHAIRMAN. Mr. Earl has a prepared manuscript.

Mr. HAYS. I understand that, Mr. Chairman, but we have had so many prepared manuscripts and we have deferred the cross-examination, most of which is still pending, and since he came from such a great distance——

The CHAIRMAN. He is going to remain until the cross-examination is completed—if we follow the regular procedure.

Mr. HAYS. I think if we go along we can get it in today. I don't think it will take too long.

The CHAIRMAN. I very much hope so.

Mr. GOODWIN. I have been waiting for some time, Mr. Chairman, to get started.

Mr. HAYS. I may say I hope I don't inconvenience you, Mr. Goodwin, but you seem to be able to start off with less background than I have, and that is just a little difference we have, and I hope that doesn't annoy you too much.

Mr. EARL. Mr. Chairman, let me preface my statement by referring to something which gave Mr. Hays concern this morning. That is that a great many prominent Americans are mentioned in my prepared statement. I assure the committee that I am not engaged in character assassination nor anything akin to it. The various persons mentioned in my statement believe wholeheartedly in the things which they have said and done, and they are not about to repudiate any connection with or support given the LID and its activities.

Nor is this an attempt to "get" the LID or paint it as a Communist front. Far from it. The LID stands very proudly upon its record, as do the men and women who are associated with it. The LID and those around it have espoused a cause, and much for which they fight has been accomplished; not entirely, of course, due to the efforts of the LID, but they do lay claim to have exerted some influence and have helped bring about the goals for which they stand. This I do not quarrel with.

However, I do dispute their right to be feeding a team of players with tax-exempt dollars, when the medium through which most of us engage in political activity has no corresponding tax-exempt privileges.

May I also say a word regarding the problem involved in quoting excerpts from any prepared material? One obviously cannot, in attempting to characterize certain works, read the entire contents of a publication. And so in excerpting one becomes chargeable by another with an opposite view with quoting too little material, quoting out of context, or quoting too much material.

The LID has been a producer of very prolific pamphlets, and it is my belief that all have been written for the purpose of spreading, explaining, and making more palatable the Socialist program for America.

That is the conclusion which I have reached after reading great amounts of their literature. In excerpting from these publications, I really face the problem of deciding which of a great number of quotes to use, rather than the problem of finding something spicy enough to use.

With that foreword, I would like to turn to the prepared statement that the committee has.

As I mentioned earlier, I have had occasion to be interested in the course of the LID and your chairman has asked me to come here and chart that course.

In the Treasury Department publication, Cumulative List of Organizations that are Eligible for Tax-Exempt Contributions, the LID is listed on page 174 as such an organization, and I believe that it has had tax-exempt status for a great many years.

Mr. HAYS. Do you happen to know, Mr. Earl, whether that was ever questioned or not?

Mr. EARL. It was questioned some years ago. It was questioned, I believe, in the case of Weyl, W-e-y-l.

Mr. HAYS. *Weyl* v. *The Commission?*

Mr. KOCH. And may I say, if it is helpful to the committee, that that decision was in 1932, and it wasn't until 1934 that the prohibition against propaganda was placed into the statute.

Mr. HAYS. Of course, a good deal of the things that Mr. Earl is going to quote occurred in 1932, so I thought the court decision might have some bearing.

Mr. EARL. That decision was in 1932.

Now, of course, in charting the course of any organization, I presume you have to have a starting place, and with this one I started back at the time it received a new name, back in the twenties, and I mentioned its activities and doings in the thirties, and then more recently in the forties and fifties.

Under the law, certain organizations are granted tax-exempt status providing no substantial part of their activities are devoted to propaganda, political purposes, or attempts to influence legislation. As has been pointed out by prior witnesses before this body, notably Mr. Andrews and Mr. Sugarman, the task of checking on tax-exempt organizations is difficult, because of legal provisions that are too general, and in which the terms mentioned, "substantial," "political," and "propaganda" are not defined.

Mr. HAYS. Right there, I would like to stop you and tell you that if you don't mind my saying so, I think you are misquoting Mr. Sugarman and Mr. Andrews, and I would like to read, if you will permit me, from the record, page 979 of the transcript.

Mr. EARL. Go ahead.

Mr. HAYS (reading):

> Mr. SUGARMAN. As I indicated at the earlier stages, the Revenue Service at one time attempted to draw a line between propaganda and education by indicating that organizations engaged in disseminating knowledge or their views on controversial subjects may be engaged in propaganda and not entitled to exemption. The courts felt we should not draw that line into the statute. For that reason, organizations of that sort may now be granted exemptions under the existing judicial precedents.
>
> I think that propaganda problem is one that we pretty well leave alone in the sense that in this area, like many others, we find that attempts to define terms do not help us particularly when we get to actual cases.

And then I would like to refer you also to a question that Mr. Goodwin put to Mr. Sugarman on page 992 of the transcript.

Mr. GOODWIN. Now my final question: I want to put that to the Commissioner.

I am sorry. He put it to Mr. Andrews.

Would it be a fair statement to say that this is an indication that the Congress is pretty well satisfied with the way the Bureau and the Department are interpreting the original terminology, and the way in which the courts are placing their decisions?

Commissioner ANDREWS. I think that is a fair conclusion, yes.

Mr. EARL. I did not have access to the record.

My information came from an article by Robert K. Walsh, of the Washington Star. I quote:

He and Mr. Andrews—

speaking of Mr. Sugarman—

added that the task of checking on tax-exempt organizations is difficult because of legal provisions that are too general and the agency's lack of funds and facilities.

I agree, of course, with the statement made by Mr. Sugarman or Mr. Andrews, whichever it was, that the spelling out in the statute defining very meticulously what is and what isn't political propaganda, et cetera, wouldn't be very much help in actual cases.

The CHAIRMAN. I might interject that those of us around here who have read the observations of Mr. Walsh have very great confidence in his conclusions and analyses.

Mr. HAYS. I would say Mr. Walsh, who is present here today, is limited probably by the number of words he can put on the wire, and while he got across a general impression of what they did say, I think it might well be said that somewhere in here, and I don't have the exact page, they made another flat statement that they didn't want in any case to become censored down there.

Mr. EARL. It is a problem. I know that.

The CHAIRMAN. I don't think you should quote one sentence there. We have had a great deal about lifting things out of context.

Mr. EARL. I was only lifting one to quote one that had been lifted, you see. I thought it was permissible in that case.

The CHAIRMAN. There is no question but that the statute, as I understand the statute, does place responsibility upon the Bureau of Internal Revenue, in connection with activities and organizations, of determining to what extent these organizations do engage in political work and work of a propaganda nature. They are circumscribed by precedent and by decisions. We all recognize that. But, nevertheless, I think it is generally accepted that the Internal Revenue Service does have a responsibility there.

But I hope we won't take too much time discussing this angle.

Mr. HAYS. I don't intend to take any more.

I was a little flattered. I hope I interpreted your remarks accurately, to signify that my expression about lifting things out of context made some impression the other day.

The CHAIRMAN. I was very much impressed that that was true in the two instances in which you were involved.

Mr. HAYS. Well, that was the demonstration I was talking about.

The CHAIRMAN. You may proceed.

Mr. EARL. In an attempt to obviate certain apparent difficulties of this nature, I shall refer to two definitions which Mr. Norman Dodd, director of research for this committee, used in his recent report.

I received a copy of this report shortly after I came to Washington.

He defined "political" as "Any action favoring either a candidacy for public office, or legislation or attitudes normally expected to lead to legislative action." And he defined "propaganda" as "Action having as its purpose the spread of a particular doctrine or a specifically identifiable system of principles. (In use, this word has come to infer half-truths, incomplete truths, as well as techniques of a covert nature.)

However, when one tries to ascertain whether or not a "substantial" part of an organization's activity is "political," "propaganda," or "designed to influence legislation," a problem of immense proportions is encountered. An organization's activities, ordinarily, will be neither white or black, but a shade of gray, and the problem becomes one of ascertaining whether black or white predominates in the gray.

In this prepared statement I have assembled excerpts from publications of the League for Industrial Democracy which I think appropriately illustrate and demonstrate its activities, both in years past and as of now. My own comments serve to tie the excerpts together and identify them, and, of course, represent my own views. However, I think that these excerpts will speak for themselves in demonstrating LID propaganda themes, political action, and attempts to influence legislation.

Let us first find out what the LID is:

> The League for Industrial Democracy is a membership society engaged in education for a new social order based on production for use and not for profit.

That is taken from an LID ad on an inside back cover of 1940 pamphlet entitled "New Zealand's Labor Government at Work, by W. B. Sutch."

Some time after 1940, this statement was changed, and a recent publication entitled, "The LID and Its Activities," reads:

> The League for Industrial Democracy is a nonprofit educational organization committed to a program of "education in behalf of increasing democracy in our economic, political and cultural life."

Now, as a short aside: In both, the word "democracy" pops up and I presume presents the problem of trying to find out what they mean by the word.

This last pamphlet or publication that I referred to says this:

> The league seeks to encourage every movement in the fields of labor, of cooperatives, of democratic public control and ownership, of social legislation, of civic rights, of education, and of international relations, which aims at the preservation, strengthening, and fulfillment of the democratic way of life.

Mr. HAYS. Well, do you question their right to promote those ideas at all?

Mr. EARL. No, I do not.

Mr. HAYS. Then what is the basis of your argument? The fact that they are doing it with tax-free money?

Mr. EARL. That they shouldn't be in the political arena with tax-free dollars.

Mr. HAYS. What about the Committee for Constitutional Government?

Mr. EARL. I am not going to talk about any other organization, Mr. Hays, because you are going to get into organizations about which I know nothing. If I speak of any other political parties, it will be the Democrats or the Republicans. Because I think the LID is an adjunct of the Socialist Party. Now, the Socialist Party itself, when you make a contribution—I don't infer that you do, but when anyone makes a contribution to the Socialist Party, it is my understanding that that contribution is not tax exempt, that you can't list it on your income-tax return.

Mr. HAYS. You are talking pretty much about a cadaver, aren't you, Mr. Earl?

Mr. EARL. What is that?

Mr. HAYS. You are pretty much concerned with a cadaver, aren't you, Mr. Earl? The Socialist Party is a corpse. It isn't even running a candidate any more. As a matter of fact, I think you will find, if you want to go back to when you started this, in 1932, and read the platform of the Socialist Party, and then read the Republican Party platform in 1952, you will find that their aims are very similar. I don't know what you are getting at. Or the Democratic Party platform for that matter.

The CHAIRMAN. The word "cadaver"—I would question its appropriateness. The group which is generally embraced in the term "socialist," as represented in parties of that stripe, has been controlling a great many elections and had a vital influence, in my opinion, on our national life. And I think some of the quotations I have read in his statement will indicate that it is not the numbers that have the greatest influence, but it is the course of action of certain people.

Mr. EARL. Allow me, with regard to what you have said, Mr. Hays, to say this: You mentioned that the Democratic program as of today, the Republican programs as of today, embrace a great many of the things that the LID embraces and that the Socialist Party embraces. And I am the first to agree with you. I agree that they do. But I disagree when it comes down to this. The Republicans and the Democrats are putting forward that program with tax dollars. Now, you will have to agree with that.

Mr. HAYS. No, I don't agree with you at all, and I will tell you why I don't.

Mr. EARL. Go ahead.

Mr. HAYS. The Republican National Committee has widely advertised that its congressional budget this year will be in excess of $3 million. And it would be very interesting from my point of view to learn how much of that in excess of $3 million is going to be depletion allowance money from Texas. And that is certainly not tax dollars.

Mr. EARL. Well, I will tell you. When you or I contribute to the war party fund of either the Democrats or the Republicans, we don't list it on our income tax. And that is what I am talking about.

Mr. HAYS. We don't list it on our income tax?

The CHAIRMAN. As a deduction?

Mr. EARL. As a deduction.

Mr. HAYS. That is right.

Mr. EARL. If you made a contribution to the LID you could.

Mr. HAYS. I suppose that people who give $5 could. But do you know how many do?

Mr. EARL. Enough do to keep them going. Put it that way.

Mr. HAYS. To get up to that $45,000 a year they spend.

Mr. EARL. I don't know whether they spend 45 or how much they spend.

Mr. HAYS. Well, I am telling you. I can read the exact figures as to how much they spend if you want, in promulgating these ideas of theirs.

The whole point I am making, Mr. Earl, is that it seems to me you have crossed the continent on a rather unimportant mission about a very unimportant organization, as I see it.

Mr. EARL. Perhaps that is the way you feel about it.

Mr. HAYS. Which has no relation to this investigation, that I can see.

The CHAIRMAN. If Mr. Earl will be permitted to give his statement, we will be in a position to evaluate it.

Mr. HAYS. I am going to evaluate, Mr. Chairman, as we go along, if you don't mind. I think we can get a better evaluation.

Mr. GOODWIN. Mr. Chairman, I wonder if that is the way to do this in the most expeditious way? My desire is to make progress. It seems to me I don't want to make a motion at this stage, but I am very definitely of the idea that we should go ahead with the statement, and such speeches as are to be made from the committee rostrum should come at the conclusion of the testimony of the witness.

Mr. HAYS. That is a good idea, Mr. Goodwin, except that, to use your own terminology, we never get to make the speeches, because then we have another witness the next day, and they are put off indefinitely. So that these people get to peddle all of this tripe, if you will permit me to use the word, and it gets out to the press, and they release it to the press before the committee gets it.

Mr. GOODWIN. The gentleman from Ohio has thus far in the proceedings been able to get in what speeches he wanted to apparently.

Mr. HAYS. And he wants to keep it up, too, if you don't object.

The CHAIRMAN. The chairman was just about to apologize for his failure to give the gentleman from Ohio any opportunity to project himself into these hearings, and I certainly don't want to be guilty of such laches in the future. And I particularly have in mind the case of one witness where a rough calculation indicated that he had only been interrupted 246 times.

Mr. HAYS. Now I know where Fulton Lewis got that statement. And are you the one who told him I was put on this committee to wreck it?

The CHAIRMAN. I didn't know Fulton Lewis got the statement in the first place.

Mr. HAYS. I wouldn't want to question your veracity.

The CHAIRMAN. I know by inference that you do question it. That doesn't make a particle of difference. I am not expecting you to accept my veracity in public. In private, of course, I know you would.

Mr. HAYS. I would accept it even in public, Mr. Chairman. But once or twice you have tested my credulity pretty far. But I accept your veracity right down the line; and if I don't, I won't tell you by inference or innuendo. If the time ever comes, I will tell you, period. So until then don't you read anything into my remarks.

The CHAIRMAN. Well, I know that the gentleman is very frank and he isn't very credulous.

Mr. HAYS. When somebody tells me he doesn't know how television got here, I have to be credulous to accept that. But I did.

The CHAIRMAN. There is no misunderstanding as to how television got here. The organization which I presume these gentlemen represent called me before the hearings started about television and stated they wished to take a TV newscast. I told them it would be satisfactory with me, and I discussed it, I am sure, with the gentleman from Ohio and some of the other members of the committee and no objection was advanced.

Mr. HAYS. Oh, no objection at all.

The CHAIRMAN. And insofar as the hearings this morning were concerned, they came in on the basis of their prior authorization. So there is no misunderstanding about that.

Mr. HAYS. Oh, no, no.

The CHAIRMAN. And the hearings would be so much better if the gentleman from Ohio would confine his attention to the matter before the committee and not get involved in these other matters.

Mr. HAYS. If you want to debate this, we can. Did you or anyone speaking for you advise anyone that you had a witness coming in today who would blow the lid off?

The CHAIRMAN. I certainly did not.

Mr. HAYS. All right. I accept your veracity. I just heard that.

Mr. GOODWIN. I would like the record to show, Mr. Chairman, that I am suggesting that the witness be permitted to go ahead and submit his evidence without interruption. At the end of that, of course, there will be an opportunity for any members of the committee to ask questions, and I assume to make speeches from the rostrum.

Mr. HAYS. Would you have any objection to just having him insert it in the record? We do not have to be read to, or do we?

Mr. GOODWIN. I think we should hear his testimony. My only concern, Mr. Chairman, is that we go ahead and make as much speed as we can and get along. I am told that the program for this session of Congress is to adjourn on the 31st of July at the latest. I can see that, unless my suggestion is adopted, we are likely to come up to the end of this afternoon's session with probably not more than 2 pages out of 40 gone over. I think this is a waste of time.

The CHAIRMAN. The Chair hopes that the suggestion of the gentleman from Massachusetts might prevail, which is in accordance with the motion that was made and was carried earlier in the proceedings, since a script of the testimony is available to the committee, and we adjourned over until this afternoon in order to give all the members opportunity to read it or at least such members as might have had time.

Mr. HAYS. Yes, but when the gentleman finishes reading his script, which is going to be some time later this afternoon, I can just hear the chairman now saying, "It is 4:30, and it is time we adjourned, and then tomorrow we have someone else coming in as a witness and you will have to defer cross-examination." And I am just not going to submit to that kind of procedure, Mr. Chairman.

I would like to go along and be as agreeable as possible, but this business of letting these people release these stories to the press and letting it go out unchallenged—I can't sit idly by and do it, especially when they go back to 1932 and talk about things that were prevalent then.

And a lot of people made a lot of statements in 1932, and, of course, when they were living through the depression they felt very strongly about it, and they perhaps wouldn't make them in 1952 or 1954.

I will try to not interrupt the witness any more than I can help, but there are some things, such as the statement about Mr. Andrews, that I felt had to be straightened out before we go any further.

The CHAIRMAN. With that discussion, then, the gentleman will please proceed.

Mr. EARL. We were talking about the definition of the word "democracy" and what the LID means by that word. Reference is made in a publication entitled, "Revolt"—this is a long time ago, 22 years ago, as a matter of fact, October 1932.

Mr. HAYS. Who published that? May I ask that?

Mr. EARL. The LID published it.

Mr. HAYS. Was that an LID publication, or of some affiliated body?

Mr. EARL. By the Intercollegiate Student Council of the League for Industrial Democracy.

Mr. HAYS. Then it was not the LID itself, but an affiliate; right?

Mr. EARL. Right. We have read now where it is from, published by Intercollegiate Student Council of the League for Industrial Democracy.

Mr. HAYS. That is all I wanted in the record.

Mr. EARL. And under an article entitled, "What the LID Stands For," the concluding paragraph throws some light, I think, on what they mean by democracy.

Mr. HAYS. Are you reading now from your statement? I am trying to follow you here.

Mr. EARL (reading):

> The LID therefore works to bring a new social order; not by thinking alone, though a high order of thought is required; not by outraged indignation, finding an outlet in a futile banging of fists against the citadel of capitalism; but by the combination of thought and action and an understanding of what is the weakness of capitalism in order to bring about socialism in our own lifetime.

Now, of course, that is a long time ago; but my thesis is that they haven't disavowed that. They still have the same aims. I think it is very well put there.

We are told by Harold Lewack in Campus Rebels, a Brief History of the Student League for Industrial Democracy, published in 1953, that the Intercollegiate Socialist Society, forerunner of the LID, was founded in 1905 following a call by Upton Sinclair and George H. Strobell for the organization of an association—

> for the purpose of promoting an intelligent interest in socialism among college men and women.

Now, another aside from the prepared statement is that they still have their own student organizations on the campuses, and it is presumed they still have the same goal in mind.

In 1921, for various reasons cited on page 8 of Lewack's Campus Rebels, the society's name was changed to the League for Industrial Democracy.

Let us observe that Socialist forms of government are in power in various countries of the world, but I presume it is admitted that ours is a Republican form of government; though not long ago it would have been permissible to refer to it as a Democratic form of government.

You have referred to it as a cadaver. That is fine, but the LID is still strong and healthy. Of course, that is the problem involved here. Whether or not the LID has abused its tax-exempt status.

Let us now examine some of the agitation and propaganda themes of the LID.

This next, preceding the excerpt, is my thought as to what that attempts to do.

Mr. HAYS. You are editorializing now.

Mr. EARL. That is right.

Special pleading and incitement to direct action on the picket line and elsewhere would appear to be outside the scope of the normal educational process. In Revolt, the publication to which I referred earlier, for October 1932, published by—I said LID, and now I should change that to Intercollegiate Student Council for the LID—are found practical suggestions for political agitation. Under the heading "Blueprints of Action—a Handbook for Student Revolutionists," students are urged to do several things. Among them:

Teach labor courses, form workers' educational groups, boycott businesses unfair to labor; parade with antiwar banners and floats from the campus to the business center of town on Armistice Day; distribute "No More War" leaflets; sell Disarm—

which was a publication.

Where ROTC is compulsory, a student strike is advocated as the most effective weapon.

And picket homes and offices of the guilty capitalists. And earlier they had referred to Tom Mooney and his troubles.

Mr. HAYS. Right there, you have a star, and it says, "Not a direct quotation inside brackets." That is your own summation?

Mr. EARL. Where I have, "Who have imprisoned Tom Mooney and other innocents," it refers to the fact that earlier in the article they were speaking about Tom Mooney and his troubles.

Mr. HAYS. What are those dots in there? That indicates you have left out sentences?

Mr. EARL. That indicates material is left out.

Mr. HAYS. I don't suppose you would want to comment, after what happened the other day, but I would just like to read you one short paragraph and see if you think it would be dangerous.

Mr. EARL. I heard what happened the other day. I read about it. And I will say right now that I probably, though you may read it, won't comment on it.

Mr. HAYS. All right. You have that privilege.

Our forefathers of a hundred or even 50 years ago likely called our present social organization socialistic. Socialism has certainly infiltrated into our social and economic structure. Our own liberal political and social philosophers have affected it, and many of the measures of President Roosevelt's New Deal were labeled socialistic. Perhaps some were.

This part I want to emphasize—

but I feel that many conservatists were alarmed at the expression "social justice" and believed that anything connected with it was tainted with socialism. At any rate, socialism has been a strong propelling force in the last hundred years to make men's minds more alert to the necessity of social justice.

You wouldn't want to comment on that, would you?

Mr. EARL. No. May I go ahead now?

Mr. HAYS. Would that ring faintly familiar at all to you, Mr. Wormser?

Mr. WORMSER. I think it does.

Mr. HAYS. That is from one of your books, isn't it?

Mr. WORMSER. That is right.

The CHAIRMAN. Since you have read that, I want to interject that that is one of the purposes of opposition, to have some effect upon the majority party.

Mr. KOCH. Mr. Chairman, on behalf of my partner, may I say Mr. Wormser is not tax-exempt.

Mr. HAYS. I just point out that there are people who have ideas and express them, and I am wondering if you are trying to stifle ideas, the free market place of ideas. Someone used that expression once. In fact, I think a president of a university used it.

Mr. EARL. No; I would be the last to try to stifle it.

The CHAIRMAN. The only thing, as I understand it, that you are trying to show by the quotation is that organizations promoting what amounts to a destruction of the institutions under which we have grown and prospered these one-hundred-sixty-odd years ought not to be financed by tax-exempt funds?

Mr. HAYS. Are they advocating the destruction or the change of them? That is the thing I want to know. And if they are advocating the change, the gentleman has already testified that he was—what?—13 years old in 1932?

Mr. EARL. I am now 34.

Mr. HAYS. But in 1932, do you remember anything about the depression at all? Who was feeding you then? Somebody must have been. You weren't earning a living.

Mr. EARL. I will tell you. I have never had a hungry day in my life.

Mr. HAYS. You don't know how you would feel if you did, do you?

Mr. EARL. No. I trust I never will.

Mr. HAYS. And I trust that some of these social revolution changes that have taken place, such as social security and unemployment compensation and Federal deposit insurance will keep you from that very thing.

Mr. EARL. Let me say this: I won't argue with you about social security or the Federal Deposit Insurance Corporation or any of them, or the merits of them, either way. Because both parties have espoused them. That isn't the problem here, as I see it. The problem is: You get into the arena with tax-exempt dollars, or don't you?

Mr. HAYS. But you take a pretty limited view of this, Mr. Earl. That is my only quarrel with you. I think you have a legitimate point.

Maybe you would answer this question, without naming anyone. Do you think it is just as bad to get into the conservative side with tax-exempt dollars as you do the other side?

Mr. EARL. It would be a legitimate place of inquiry; sure.

Mr. HAYS. Well, that makes it a little better.

The CHAIRMAN. The question involved here is an organization using tax-exempt money, promoting "Parade With Antiwar Banners," at a time when the security of the Nation is involved.

Mr. HAYS. In 1932? The security was involved all right, but your party didn't do anything about it; when the Japs went into Manchuria and Hitler went into the Rhineland and so on.

The CHAIRMAN (reading):

> Where ROTC is compulsory, a student strike is advocated as the most effective weapon.
>
> LID is a militant educational movement which challenges those who would think and act for a new social order based on (production for use and not for profit) that is a revolutionary slogan. It means that members of the LID think and work for the elimination of capitalism. * * *

And so forth and so on.

Those are the things that we are making inquiry about, as to whether tax-exempt money should be used to promote them.

Mr. HAY. Let me read you a revolutionary slogan and see if you think we ought to investigate it.

> Whenever any form of government becomes destructive of those ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness.

Now, that is real revolutionary. That is out of the Declaration of Independence. You can't get much more revolutionary than that.

The CHAIRMAN. Of course, the Declaration of Independence refers to the right of the people to set up a government.

Mr. HAYS. And to abolish it and to change it and to do whatever they think is necessary for their happiness. I don't know anything about this LID or how bad an organization is.

Mr. GOODWIN. We are trying to learn something about it.

Mr. HAYS. I don't think you are going to learn much except from one side.

The CHAIRMAN. We will be very glad to have the representative from whom we received the telegram come down and give us the other side. Now, we have been here 1 full hour.

Mr. HAYS. And we have had some very profound documents read from, such as the Declaration of Independence.

Mr. Wormser, I meant no offense by quoting your book. You should be glad to have it read with such high-class literature as this. I am trying to prove that people have ideas and have a right to promote them and sell them if they can.

Mr. WORMSER. I think it is only fair to say that it was read out of context.

Mr. HAYS. Oh, yes. I have done a lot of reading from your books. I want to know what goes on in the staff's mind. And I did find that some of the things that go on in your mind click in mine. So I feel we are closer together than we have ever been.

Mr. GOODWIN. That is a hopeful note to go on with.

Mr. HAYS. But I keep saying, "Don't be too optimistic."

Mr. EARL. Any notion that the LID was to confine itself to the cloistered atmosphere of academic pursuits, as distinguished from "work" and "action" is dispelled by the editors of Revolt, who write on page 6 of this issue, under the heading "What the LID Stands for"——

Mr. HAYS. Is that still 1932?

Mr. EARL. Yes.

The CHAIRMAN. If I may interject, he is going back to the beginning of the LID, when it was organized under the name of League for Industrial Democracy as the successor to the Student Communist League or whatever it was, and he is going to come on up to date, so that his quotations are not from any one period, but over a long period of years.

Mr. HAYS. We could prevent a lot of interruption, which undoubtedly must interrupt your cerebral continuity somewhat, if you would just, as you read these quotations, say, "This is 13, and this is 35" if you happen to know.

Mr. EARL. I ordinarily prefer them with that. If you can stand it, we will be to 1950 on page 11.

Mr. HAYS. I will try to wait with bated breath.

Mr. EARL. From the publication in 1932, Revolt, on page 6, under the heading of "What the LID Stands for"—

> The League for Industrial Democracy is a militant educational movement which challenges those who would think and act for a new social order based on production for use and not for profit. That is a revolutionary slogan. It means that members of the LID think and work for the elimination of capitalism, and the substitution for it of a new order, in whose building the purposeful and passionate thinking of student and worker today will play an important part.

Other quotations from page 6 of this same article suggest that LID spokesmen were interested in a rather strenuous program of education:

> Men and women who would change a world must blast their way through the impenetrable rock. No stewing over drinks of tea or gin, no lofty down-from-my-favorite cloud, thinking more radical thoughts than thou attitude makes a student movement or a radical movement. LID students talk and write about conditions. LID students act about them.
>
> * * * a staff of 6 or 8 leave the Chicago or New York offices to help coordinate activities. They get into classrooms, they talk to classes. * * * In addition these speakers furnish a valuable link between students and their activities later on. After graduation the work continues unabated. In city chapters, in New York, Chicago, Philadelphia, Detroit, Baltimore, the work of education and action goes on.
>
> The LID emergency publication, the Unemployed and Disarm, have reached a circulation of one-half million. * * * Students organized squads of salesmen to sell these magazines, containing slashing attacks on capitalism and the war system, at the same time it enable the unemployed to keep alive.
>
> In November of this year a training school for recent graduates will be opened in New York * * * to equip students by field work to perform their tasks in the labor movement. * * *

This language about recruiting and training, I think, would be more appropriate in an Army field manual than in the journal of an educational association.

In the same issue, Paul R. Porter, a field secretary of the LID, who has more recently been a director of the ECA in Europe, and as an aside, a recipient of an LID distinguished award, expressed his fears that American business leaders might turn to fascism as a means of saving their dying world. In an article entitled, "Fascist Goat Glands for Capitalism," Mr. Porter writes, and this, of course, is from the same publication published in October 1932:

> Social systems do not commit suicide. Societies grow senile and shaky but their ruling classes hold to the last their power and privileges against the class ultimately destined to displace them. It is this fact which makes so grave the prospects of fascism, in America as well as in Europe.
>
> Because political democracy, for all its weaknesses and delusions, is a power instrument in the hands of the workers, the ruling class will attempt to divest them of it (p. 7).

Talk of "ruling classes," the "delusions" of democracy, the inevitability of class displacement, is language borrowed from Stalin and Lenin.

Mr. HAYS. Let me read you a paragraph right here very similar to this:

President Hoover and his associates had announced there would be a short period—

this is 1932 they were talking about—

of unhappiness, after which the law of supply and demand, if not interfered with, would restore normal conditions. This might have been true, but the country felt very sick when Franklin D. Roosevelt took office and was in no mood for waiting. Those who were without jobs, who could not pay their rent, who could not sell their merchandise, who could not get their money out of banks which had failed, were not hopeful that the old capitalistic system would correct its own maladjustments. F. D. R.'s overwhelming victory at the polls was deemed a mandate to overhaul the old machinery thoroughly.

Do you think that is revolutionary?

Mr. EARL. I am not quarreling with it.

Mr. HAYS. Do you think it is revolutionary, Mr. Wormser?

Mr. WORMSER. I think you ought to put my whole book in evidence.

Mr. HAYS. We ought to get the title in anyway. It might create a demand for it among the New Dealers.

Mr. KOCH. And the price.

The CHAIRMAN. You may proceed.

Mr. EARL. Explaining that a "Socialist revolution means a redistribution" of wealth "on an equalitarian basis," Mr. Porter advises workers and farmers that—

* * * their recourse now is to form a political party which they themselves control, and through which they might conceivably obtain state mastery over the owning class (p. 7).

Mr. Porter visualizes the onset of fascism in these words:

When Community Chests are more barren than Mother Hubbard's cupboard and workers begin to help themselves to necessities in stores and warehouses, when bankrupt municipalities stringently curtail normal services, then vigilante committees of businessmen, abetted by selected gangsters, might quickly and efficiently assume command of governmental functions.

The assumption of power by vigilantes in a few key cities would quickly spread. The President (Hoover or Roosevelt) would declare a national emergency and dispatch trops to zones where vigilante rule was endangered. Probably he would create a coalition super-Cabinet composed of dominant men in finance, transportation, industry, radio, and the press, a considerable number of whom would be Reserve officers.

Mr. HAYS. May I ask you about the "Hoover or Roosevelt" in parentheses? Does that mean that was written before the election?

Mr. EARL. This was written in October of 1932, and I think the election was in November.

The CHAIRMAN. Are you correct in this phrase here, that Mr. Porter—Paul R. Porter, we should say, to distinguish him from another distinguished man—spoke of "vigilante committees of businessmen, abetted by selected gangsters"?

Mr. EARL. Where are you reading from, sir? Oh, that is from the quote at the bottom.

The CHAIRMAN. That is pretty strong language.

Mr. HAYS. That is the bottom of page 4, the second paragraph from the bottom, the next to the last line.

Mr. EARL. I will read from the magazine.

Mr. KOCH. Is that a direct quotation?

Mr. EARL. Yes, it is.

Mr. HAYS. I understood Mr. Porter as saying that could happen. Right?

Mr. EARL. Yes. His thesis here seems to be that that very well could happen.

Mr. HAYS. That was written in 1932?

Mr. EARL. October 1932.

Mr. HAYS. You could get a lot of funny statements written back there, when people really were hungry, with 12 million unemployed. Of course, that makes them pretty poor prophets today.

Mr. EARL (reading):

> The bulldozing methods of the wartime Council of Defense would be employed against protesting labor groups and some individuals might be imprisoned or shot, though several "cooperative" A. F. of L. officials might be given posts of minor responsibility.

And then my own comment on that:

Mr. Porter's objectivity and ability to see the picture of life as a whole—valuable assets to a scholar engaged in education—are further demonstrated by this passage taken from the same publication, the same page:

> The American working and middle classes are, politically and economically, among the most illiterate in the world * * *. Insofar as they (the middle class) comprehend the class structure of capitalist society their impulse is not to welcome union in struggle with the working class into whose ranks they are being pushed, but on the contrary to vent their humiliation in resentment against militant labor.
>
> Many workers, for their part, are disgusted by the impotence of most A. F. of L. unions and would quickly respond to demagogic Fascist agitation, even as many once flocked into the Ku Klux Klan. Unemployment to them is not an inevitable consequence of maldistributed income * * * (p. 7).

Having analyzed the danger, Mr. Porter then outlines the action program that can ward it off:

> Watch now those little flames of mass unrest * * * Great energy will be generated by those flames of mass revolt. But revolt is not revolution, and even though new blankets of cruel repression fail to smother the fire and in the end only add to its intensity, that energy may be lost unless it can be translated into purposive action. Boilers in which steam can be generated—if we may work our metaphor—need be erected over the fire, and that steam forced into engines of reconstruction.
>
> Trotsky, in describing the role of the Bolsheviks in the Russian Revolution, has hit upon a happy figure of speech which we may borrow in this instance. No man, no group of men, created the revolution; Lenin and his associates were but the pistons driven by the steam power of the masses. The Marxist Bolshevik party saved that steam from aimless dissipation, directed it into the proper channels.
>
> To catch and to be driven by that steam is the function of the radical parties in America today (p. 8).

Mr. Porter was a trifle unhappy because the Socialist Party was "not yet a consistently revolutionary party," and he apparently regretted the tendency towards moderation in the Socialist parties of both Great Britain and Germany.

This is from the same article:

> There are members who would pattern it (the Socialist Party of America) after the German Social Democracy and the British Labor Party, despite the disastrous experiences of two great parties of the Second International. There are members who have lost to age and comfort their one-time fervor, and members who would shrink from struggle in time of crisis (p. 8).

Yet, voicing hope for the Socialist revolution in America, Mr. Porter closed on a note of optimism and advice.

> They (the Socialists) must overcome the quiescent influence of those whose socialism has been dulled by intimacy with the bourgeois world, and they must speak boldly and convincingly to the American working people in the workers' language.
>
> If their party can rise to these tasks then perhaps capitalism can be decently buried before it has found temporary rejuvenation in a Fascist dictatorship (p. 8).

While it would not be fair to attribute these views to the entire membership of the LID, they are of special significance for the reason that Mr. Porter, as organizer and lecturer for the LID, was the missionary who contacted thousands of students in his travels about the country. They are not the opinions, therefore, of a casual contributor to a party organ, but the fixed beliefs of one of the most active of the permanent cadre of our Socialists.

In another article, Journal of the LID Chautauqua,—this was taken from Revolt, page 10, printed in October 1932—Carrie Glasser describes an LID summer school. She writes as follows in the same issue of Revolt:

> We can tell also of heartening accomplishment, of the seeds of new thought we have planted, of clubs organized for working men and women (in the West Virginia coalfields), of labor plays written and acted, of songs composed by the workers themselves, and herein we see the hope of a fruition of social discontent which will lead to a social change (p. 10).

Mr. HAYS. I am going to have to comment right there: do you know about conditions in the east Ohio oilfields, adjacent to where I grew up and still live, in 1932? Do you know anything about those conditions?

Mr. EARL. I have read about them, but I am sure you are much more familiar with them than I. I realize they were very bad.

Mr. HAYS. Do you realize men worked 14 hours, sometimes going to work in the dark and coming home after dark, and that instead of a pay check, they frequently got a slip telling them how much they owed the company for groceries? Have you heard of such conditions that existed in Ohio in 1932?

Mr. EARL. I have heard that they did.

Mr. HAYS. I did not "hear that they did." I saw it and lived through it. And I saw my father extending credit to those coal miners' families for food, knowing full well he was never going to get the money, because he could not stand to see their kids go hungry. Then you talk about a little revolutionary dogma. I am amazed they did not say worse things than that.

The CHAIRMAN. Whatever the conditions were, and they were bad, that does not justify an organization, for the purpose of sponsoring a revolt against our form of government, going in and trying to capitalize on the misery and discontent of the people.

Mr. HAYS. They wanted change and they got the change.

The CHAIRMAN. The whole tenor of what he is saying here is that they are revolting against our system of free enterprise and free labor.

Mr. HAYS. Mr. Reece, you are not proud of that free enterprise that was paying those men no wages at all in 1932?

The CHAIRMAN. I am proud of our system of free enterprise, free enterprise and free labor, which has given us the highest standard of living that any people on earth ever enjoyed. While we have our

ups and downs, the continuous course of history has been upward, and I am proud of it. And for one, I do not want to see the taxpayers' dollars used to try to break down that system.

Mr. HAYS. Well now, I do not think you are as disturbed about that as you are perhaps about some other political matters, but be that as it may, let me say to you, as to the great free enterprise system, that I believe in it. I am a capitalist. And as I said to you the other day, I do not want anybody running my business.

But you know, when the capitalistic system—and as I say, I am one of them—gets in trouble, as your coal miners and operators did in 1932, they were very happy for the Government to bail them out.

The CHAIRMAN. I voted for the Bituminous Coal Act because I thought it was a good thing.

Mr. HAYS. Because you thought that the Government could help out free enterprise. It is all right if it is free enterprise and they are getting a little help, but when the fellow who is doing the work gets help, that is revolution.

The CHAIRMAN. If we are through——

Mr. HAYS. I do not know if we are through or not. I do not get many answers, except that I get some speeches about wrapping yourself in Old Glory and how wonderful the Fourth of July is. But these are pretty fundamental things. They were to those people then. And I have heard it said to this committee, "Just muddle along through these depressions." Of course, if 10 or 12 million people starve to death, I expect they would not want to "muddle." But if they want to do something about it, that is revolution. Is that what we are saying?

Mr. GOODWIN. There must be a better forum, Mr. Chairman, for colloquies of this sort. I do not know quite where it would be, but I am sure it is not in this committee.

Mr. HAYS. Well, I won a debate on this subject over on the floor of the House from a fellow statesman, geographically, that is, from Ohio, and I will debate it any place anyhow, because I lived through it. When you start talking about the coal miners of West Virginia and Ohio, you are talking my language. I know something about it.

The CHAIRMAN. Proceed.

Mr. EARL. Felix S. Cohen, under the heading "Politics and Economics," has this to say in the same issue of Revolt:

> The crucial issue of industrial civilization today is not between laissez-faire individualism on the one hand and collectivism on the other. History is deciding that question. The question for us is what sort of collectivism we want (p. 20).
>
> Modern technology makes collectivism inevitable. But whether our collectivism is to be Fascist, feudal, or Socialist will depend * * * upon the effectiveness with which we translate those political ideals into action (p. 20).

Mr. Cohen reminds his colleagues that political warfare to achieve a new social order is total, not limited, conflict:

> You cannot fight on the economic front and stay neutral on the legal or political front. Politics and economics are not two different things, and the failures of the labor movement in this country largely arise from the assumption that they are. Capitalism is as much a legal system as it is an economic system, and the attack on capitalism must be framed in legal or political terms as well as in economic terms (p. 21).
>
> * * * a Socialist attack on the problem of government cannot be restricted to presidential and congressional elections or even to general programs of legislation. We have to widen our battlefront to include all institutions of government, corporations, trade unions, professional bodies, and even religious bodies,

as well as legislatures and courts. We have to frame the issues of socialism and democracy and fight the battles of socialism and democracy in the stockholders' meetings of industrial corporations, in our medical associations, and our bar associations, and our teachers' associations, in labor unions, in student councils, in consumers' and producers' cooperatives—in every social institution in which we can find a foothold * * * (pp. 22–23).

This is scarcely the outline of an educational project. Rather it is the battle plan of strategic sociology, through which an entire civilization can be shifted from its cultural, economic, political, and moral foundations. Mr. Cohen's language is the jargon of the professional revolutionary, not the scholar. Consider the following:

I don't think that we can capture the New York Telephone Co. or the BMT in a day or a year. But then I don't think we can capture the Federal Government in that time, and if we did gain control of the Federal Government without having any experience * * * in other institutions which govern the country, our control of the Federal machinery might not do us much good (p. 23).

Mr. Cohen explains the advantage of infiltration over the simple use of the ballot in advancing the cause:

Even a single stockholder in a public utility may have a nuisance value that modifies the activity of that corporation in the interest of its employees or its consumers, and may have a voice that reaches the public outside of the corporation in impressive terms. Paul Blanshard has done more for socialism with his two shares of stock in the BMT and the New York Telephone Co. than a hundred men and women who vote the straight socialist ticket on election day and forget about socialism the rest of the year (p. 23).

Finally, Mr. Cohn reminds his colleagues that these tactics of penetration are useful however the revolution is finally accomplished—by legal or unconstitutional means:

But the need of fighting politically within corporations and trade associations and professional bodies, as well as labor unions, is just as pressing if we think that fundamental social change can be secured in this country only by unconstitutional measures.

In a revolution, when the ordinary political machinery of government breaks down, it is absolutely essential that the revolutionary force control the remaining centers of social power. In Russia the success of the Bolshevik revolution rested with the guilds or soviets, which weer not created by the Communist Party and which antedated the revolution. A socialist revolution in this country will succeed only if our guilds, chief among them our engineering societies, have within them a coherent socialist voice (p. 23).

The author reveals his respect for the democratic process in these words:

We may not need a majority. We do need at least a few Blanshards in every important corporation and association who have made themselves familiar with the concrete evils which that corporation or association contributes to the putrid mass of capitalism, and who will be able to carry essential industrial activities through a time of crisis (p. 23).

In the December 1932 issue of the same publication, Revolt, appears an article by Amicus Most entitled "Students in the Class Struggle." Its announced purpose is to give serious though to the part that students can play in the class struggle and their place within a workers' movement. Excerpt follows:

Karl Marx in the Communist Manifesto wrote: "In times when the class struggle nears the decisive hour—a small section of the ruling class cuts itself adrift and joins the revolutionary class," and "A portion of the bourgeois ideologists, who have raised themselves to the level of comprehending theoretically the historical movements as a whole," goes over to the proletariat. Students will, therefore, fall into this classification. They are really idealists who are acting against the economic interests of their own class, for the middle class is actually opposed to changing the capitalist system (p. 11).

It, therefore, becomes essential, if the student who has accepted the Socialist philosophy is to become an active factor in making socialism a reality, to completely forget his class interests (p. 11).

The student must be active in strikes, in unemployment organizations, in demonstrations, etc., not as a leader, or by making an occasional speech, but by participation as a rank and file worker. He must be a picket, he must do the clerical work, distribute the leaflets, face the police and thugs, the dangers and the public condemnation just as any other worker does (p. 11).

In the same issue of Revolt, Paul Porter, field secretary, whom we referred to earlier, reports on activities of individual LID chapters:

* * * the true measure of student Socialist strength will be found in the League for Industrial Democracy chapters and Socialist clubs that remain permanently on the campus. Their manifold activities will comprise the main stem of the radical student movement (p. 12).

Mr. Porter announced the convocation of a mass really against war in New York.

Planned as an outgrowth of the conference will be a student delegation to Washington soon after Congress convenes, to serve notice that hundreds of students will reject the role of cannon fodder in another war, to request that the State Department furnish a list of investments for which American youth may some day be called upon to fight, and to demand that money now spent in maintaining the ROTC and the CMTC be used providing relief for the unemployed (p. 12).

Surely a march on Washington constitutes an attempt to influence legislation.

And, to quote from page 12:

Delegates are already making preparations to attend the traditional Christmas holiday conferences of the LID, which will be held for the 18th successive year in New York and for the 5th in Chicago. This year's New York theme will be "Socialism in Our Time" and has been divided into three main categories, to with: "How May Power Be Won," "Building a Power Winning Organization," and "The Morning After the Revolution." The Chicago conference will be along similar lines.

Mr. HAYS. Can you tell me what year those two paragraphs were written?

Mr. EARL. They are still from 1932, sir.

It is conceivable that the subjects discussed under those headings were all theoretical, though the titles suggest "action."

Other projects of LID chapters, described by Porter, include riots and visits to soup kitchens.

Taken from page 13 of the same publication:

On Armistice Day military-minded former Senator Wadsworth * * * spoke in Ithaca on behalf of a bigger Army and Navy. Members of the Cornell Liberal Club, the Socialist Party, and student peace groups held a rival meeting after which they marched with banners past the high school in which Wadsworth was speaking. Leonard Lurie, Cornell LID representative, describes their gentle reception: "Several of the Army officers rushed at us and tore down a few posters. The police joined the destruction which was over very shortly. They prodded us along the street with their stick, and Fred Berkowitz remarked, "I wonder how much the police get for hitting people * * *."

Growing in frequency are those trips of economies and sociology classes to case illustrations, such as breadlines and strikes, of this magnificent chaos called capitalism. Recently students from Amherst and Mount Holyoke, under the leadership of Prof. Colston Warne, made the rounds of New York's choicest soup kitchens, and visited Brookwood Labor College and the officers of various radical organizations (p. 13).

And in parentheses, I refer to the Report of Proceedings of the 48th Annual Convention of the A. F. of L., November 19–25, 1928, pages 315–318, on Brookwood Labor College. Also see New York

Times, November 29, 1928, page 12, for report of action at the same AFL session. (See also Appendix IX Investigation of Un-American Activities, Select Committee on Un-American Activities, House of Representatives, in the 78th Congress, for citations for Prof. Colston Warne.)

Under "Blueprints for Action," on page 14 of this issue of Revolt, students are urged to:

> Transform your Thomas-for-President Club into a permanent LID chapter, which we hope can be known as a Socialist Club, if you have not already done so. Have each member joint the LID. Many may also wish to join the Socialist Party, which should be encouraged. For an elaborate program of action in the months ahead consult the detailed Blueprints in October's Revolt, or write to Paul Porter at the LID.

Mr. HAYS. That is still 1932?

Mr. EARL. Yes, sir.

Mr. HAYS. That dangerous movement of 22 years ago folded up pretty completely, did it not?

Mr. EARL. A message from the national chairman of the Intercollegiate Student Council reads:

> The presidential campaign is over, but ours has just started.
>
> It is hardly necessary to make suggestions as to what is to be done. Workers' forums, college forums, miners' relief work, LID Lecture Series, renewed and vigorous efforts to sell Revolt—all these projects will aid in the educational work that is so necessary at this time.
>
> We must look ahead 4 years. Local elections are in a sense more important than national elections. *To measure the success of the LID, is to measure the growth of socialism in the community you are in* (p. 14). [Emphasis added.]

If encouraging students to join the Socialist Party and working to win local elections for Socialist candidates is "educational" activity, it is difficult for me to see why the Republican and Democratic Parties do not qualify for tax-exemption under the same provisions of the statute.

In February 1933, the title of "Revolt" was changed to the "Student Outlook." The editorial states:

> With this issue Revolt becomes the Student Outlook. Students felt it was more important to sell our magazines and convince by its contents than to shout "revolution" and have no one listen. Persons who give us more than a glance will not mistake our colors.

Another editorial on page 1 of this issue calls for "student guts":

> * * * it is questionable whether the student who hasn't guts enough to get out on his college campus and hawk the Student Outlook will overcome his delicate scruples if the time comes to face tear gas and machine guns * * * Only those who steeled themselves to decide with firmness during school hours will do so at those moments that historians pick out for special mention.

Under the title "Socialism in Our Time," in the same issue of the magazine, Helen Fisher reports on the 17th New York conference of the LID. She writes (on p. 8):

> The speeches and questions were those of participants in the building of a power-winning organization, not spectators.
>
> It was a conference of practical revolutionists.
>
> Both Reinhold Niebuhr and Franz Daniel ruled out the possibility of our ever attaining a Socialist commonwealth by purely parliamentary action * * * Both felt that the change would come through the general strike or some weapon similar to it.
>
> In the discussion of the Day After the Revolution, Paul Blanshard stressed the necessity of presenting at least a sketch of the proposed society to those we are trying to get to fight for it. Sociolopia, according to Mr. Blanshard, would

have an international government, some international battleships and airplanes, complete control of munitions, an international language and socialized ownership of industry with control by workers, technicians, and consumers. Lewis Mumford then spoke about the need for disciplining ourselves morally and intellectually the day before the revolution.

Mr. HAYS. Mr. Earl, would you care to comment there on whether or not, as to all of these quotes you have read—and some of them sound pretty radical, I would be the first to admit—you perhaps think, though, sort of prove the case for the value of free expression; that even though people talked like that in the 1930's, when we had a depression, we solved those problems by peaceful legislation, and that the capitalistic system has become even stronger because of remedial legislation, certainly, then it was in the thirties?

Mr. EARL. I will agree with you, Congressman Hays. But I think I will have to revert again to the theme that this is what I would term "political action," and I doubt that they should have been in it.

Mr. HAYS. In other words, are you advocating now, Mr. Earl, that the Congress take some kind of action to dry up the $45,000 a year that this organization has, so that they cannot express these views?

The CHAIRMAN. You are not recommending anything, as I understand it.

Mr. EARL. I think that what I believe in and advocate is pretty well set forth here, and of course it will be up to the committee to decide. However, I have said before, I have said earlier here, that I think that their tax exempt status was certainly being violated.

The CHAIRMAN. Wayne, it is not correct, that while we won out, so to speak, there was great difficulty encountered? Take the sit-down strikes, particularly in Detroit, but which spread to other parts of the country. Take the Allis-Chalmers strike. And now it has been definitely established, I think, on a factual basis, that both of those disturbances that gave the country genuine alarm were inspired, prompted, by these and similar, comparable influences for the purpose not of helping the United States and our system here but for the purpose of destroying it insofar as they had the power to destroy it.

There were many other instances, over the country, delaying production of essential military equipment, as well as equipment to produce the supplies needed by the military, to the point that we were very greatly handicapped for a period of time, as a result of which we had great losses.

Mr. HAYS. Mr. Chairman, I would not want to get into any debate with anybody about relative merits of the various strikes that have occurred in this country.

I come from an area where strikes are not an unknown thing.

I have, as I grew up, witnessed the militia coming in and breaking up strikes, and I have even seen a few strikers shot and seen them hauled away, and all of that. And I want to say to you as objectively as I can that it has always seemed to me that in any strike that I have personally observed, there were probably two sides to the thing. There probably was more merit on one side than there was on the other. This is as I viewed the situation, when the coal miners struck in 1927, and again when they have had strikes since then. And I might tell you now, and you probably know as much about it as I do or more, that the big coal companies do not have strikes much any more, because they have finally adopted the idea that labor unions are

here to stay and we are going to do business with them. But there was always some merit there. The men were either getting not enough to live on—and I suppose from the viewpoint of the operators, they had merit, too, because they had to show a profit, and they had to try to pay some dividends to their stockholders.

It seems to me that the whole thing that has come out of it—neither this committee nor any other committee can edit the thinking that goes on in people's minds. I think the crux of this is not whether this little minute organization that has only $50,000 a year approximately to spend has espoused some, to me, rather radical ideas, if these quotations are accurate, and I assume they are. That is not the issue, as I see it, whether they have done it on tax-free dollars or whether they have not. It seems to me there is a bigger and more basic issue here. Who is going to edit the thinking of people? Who is going to say that you cannot demand social change? Who is going to say that you cannot advocate the changing of the social order? I think it is here that we have something basic.

The CHAIRMAN. In a much shorter speech, I will answer that: Nobody.

Mr. HAYS. I am glad to have that concession.

Mr. EARL. I might say this, before I continue, that it is my thinking that these quotes that we have listened to, Mr. Hays, although they concern very difficult problems of the times back in 1932 and 1933, that have since been solved to a great extent, all in the political arena. And they do more than that, as far as these people were concerned. You will notice all through here that their theme was the pushing of socialism. And a great many things that have happened are things that you and I agree with today. And just because a Socialist is supposed to love his mother and his wife, I should not turn around and say because they believe that I certainly will not love my wife or love my mother.

The things that they advocated were that all of these be done not particularly to help America and help the system that was then in, but to overthrow that system and supplant it with a system of socialism.

The CHAIRMAN. And your quotations later will indicate the doings right up to the present time.

Mr. HAYS. Mr. Earl, in a very friendly way, I am going to ask you to try to answer this question. Do you not suppose that if someone had spent as much time as you obviously have in studying the writings of people on the other side, we could come up here, somebody could come up here, with a pretty long document of pretty horrible quotations about people who were advocating the use of troops to put down the workers and to move in police and to surround the workers' homes and all that?

Do you not think we could dig up that kind of stuff?

Mr. EARL. You probably could, sir, but probably not with tax exempt money.

Mr. HAYS. Then let me say this, before you go any further. The thing that I am trying to point out is that despite all of the extreme argument on either side, I consider it kind of a tribute to the good commonsense of the American people that we rectified what were some obvious mistakes by peaceful means and did not listen to the extremists on either side. And I am just wondering about what the value

is of rehashing this 20 years later. And at the moment we are only rehashing one side of it.

As far as I am concerned, I do not even want to rehash the other side, which would be just as extreme, I am sure.

Mr. KOCH. Mr. Hays, if there were another side that was financed by tax-exempt foundations, I think the staff would like to have it.

Mr. HAYS. Well, now, right there, are you saying that this organization was financed by tax-exempt foundations?

Mr. KOCH. No; it is a tax-exempt foundation.

Mr. HAYS. No; it is not a tax-exempt foundation. It is a tax-exempt organization. I will grant you that. But it is not a foundation, by any stretch of the imagination.

Mr. KOCH. I think we can agree on this. It is one of those foundations that are created under section 101, subparagraph 6. And that section, Mr. Hays, has a provision against propaganda. And, as I understand it, it is our job to check whether that definition is clear enough, or whether we should throw the thing out and let all the foundations, whether they have an income of $33 million a year or $50,000 a year, get into the act. The thing is that we have to go into this question of propaganda, as I see it, under 101, subdivision (6), and I do say that LID is one of those creatures.

Mr. HAYS. Of course, there are a lot of other creatures, too. There is the Committee for Constitutional Government. But you do not want to go into that. I will promise you that you do not.

Mr. KOCH. Wait a minute. Did not the witness who mentioned the outfit—did we not find out that that was 101, subparagraph (8), which has not got that propaganda clause? And the contributions to that other are not tax-exempt.

Mr. HAYS. You mean to say that the contributions to the Committee for Constitutional Government are not tax-exempt?

Mr. KOCH. I understand that their own income is not tax-exempt.

Mr. WORMSER. There is that distinction between 101 (6) and the other.

Mr. HAYS. Which one are they under? I will agree with this in principle to save further argument. And though I may disagree with some of the people who represent the Committee for Constitutional Government, I firmly agree that they have the right to espouse whatever belief they want to. But the only thing I will get into any argument on is that I think these people and the people from the Committee for Constitutional Government ought to be treated alike. If one is tax-exempt, the other should be, and if the one is not, the other should not be.

Mr. GOODWIN. And you will agree that if we can conclude these public hearings seasonably, we ought to leave plenty of time in executive session to go into all of those matters?

Mr. HAYS. Oh, yes. I have no optimism that we will ever be able to come to any agreement, but I am willing to devote as much time as necessary trying.

Mr. GOODWIN. I am going to be much more optimistic than you are, Mr. Hays.

The CHAIRMAN. Knowing the agreeableness of the gentleman from Ohio and his great capacity to study and resolve the facts and work amicably with people when he gets behind closed doors, I have con-

fidence that we will be able to get out a report which will be signed by all the members of the committee.

Mr. HAYS. Mr. Chairman, if I were as thin-skinned as you are, I would take offense at that obvious sarcasm, but I am going to accept it just as though you meant it, and when the record comes out there will not even be your inflection in there, and people will think you did mean it.

The CHAIRMAN. We do not have any trouble when we are together behind closed doors. We never have.

Mr. HAYS. I will just say: Do not be too optimistic.

The CHAIRMAN. You may proceed.

Mr. EARL. Alvin Coons made a similar report on the conference in Chicago, where the LID considered everything "from technocracy to technique." This is from page 9, and this is still back in 1933, in February:

> Clarence Senior, national secretary of the Socialist Party, expressed the belief that reforms would only further encumber the capitalistic system and that every concession would only hasten its end.
>
> Affirming his faith in democracy as an instrument of social change, he advocated its use as long as possible, not however, excluding the use of other methods should it fail.

"Radical students," he declared, "can spend their time more profitably getting acquainted with the problems of the workers, than they can in studying chemistry to learn how to make bombs, or in going into the ROTC to learn how to shoot. You can hardly expect to teach the workers to shoot straight for bread if you cannot teach them to vote for it" (p. 9).

Under Blueprints for Action, in the February issue of The Student Outlook, these techniques are advocated (p. 16):

> Boring from within.—Never will it be emphasized too strongly that college radicals must shunt their freshmen, particularly, onto the college paper. Especially journalism students, those that write well, and will succeed. Send so many for tryout that one, at least, will make the grade. Keep their marks up to avoid disqualification or suspension.
>
> Make interlocking directorates, by having your men in all school activities, to promote radical activity of otherwise quiescent groups, and to make the news of these groups redly tinged. Cosponsored action, possible with interlocking directorates, makes good news.

Then, if I may, I will turn to that article. They entitle this, "This Is One Way to Sell Radicalism." And down under a subheading called, Newspaper Style, paragraph E:

> Propagandize only in quotations or in adroit wording. Examples: "Capitalism is bankrupt. At least this is what 100 youths contended at a meeting."

It is now time to turn from an analysis of LID ideology and revolutionary techniques in the early thirties to an examination of contemporary activities and beliefs. A study of LID personnel and pamphlets suggests that, even today, the league is expending more energy in political action than in education. Certainly there is much evidence to support the view of LID "research" is designed to influence legislation.

On April 15, 1950, for example, the league sponsored a symposium entitled "Freedom and the Welfare State" to celebrate its 45th anniversary. Some of the speeches made at the conference will indicate the bias of the educators present. All of the quotations which follow

are taken from Freedom and the Welfare State, a published account of the conference.

Dr. Harry Laidler, executive director of the LID, called upon his associates to meet the need of college students for guidance from those who do "honest, independent thinking" and thus offset "reactionary" propaganda in the colleges and the "totalitarian" propaganda from abroad.

This is taken from pages 5 and 6 of that publication, which I have here.

We in the league are happy to record the social progress that has been made during the first half of the century. We are, however, conscious of the fact that the goals of full democracy and economic security have not as yet been reached * * * Economic injustices in the distribution of the fruits of industry are widespread. An inner circle of owners and executives of mammoth corporate groups still possess vast power over the lives of our people.

Mr. HAYS. Mr. Earl, right there, on that very last sentence that you read, starting with "An inner circle," would you disagree with that statement?

Mr. EARL. I would not necessarily disagree with it, no.

You mean, as regards my own thinking?

Mr. HAYS. Yes. It is more or less a true statement, is it not?

The CHAIRMAN. I personally disagree with it, myself, but you have a perfect right to express your opinion if you care to do so.

Mr. HAYS. This committee has apparently been trying to make out the thesis that an inner circle of executives of foundations possess vast power over the lives of our people, and I am wondering if it is not true that an inner circle of owners and executives of great corporations possess vast power over the lives of our people.

Mr. Reece has a right to his own opinion, but I think he is pretty far out on a limb there.

To go back to my more or less famous quotation of last week, exactly the same words almost——

The CHAIRMAN. All of our corporations now are controlled by the Government, under the law which has been set up to provide free competition in the enterprise system, so that today an inner circle of owners and executives of corporations can control the lives of the people.

Mr. HAYS. Of course, the law says that they shall not do that, but again any law is only as good as its enforcement agencies, and of course you will never forget, I do not suppose, and probably never will be able to live down the statement that "what is good for General Motors is good for the country."

The CHAIRMAN. Even the inner circle of the great New York Central Railroad was not able to control the lives of its own stockholders, much less the people.

Mr. HAYS. And that is the case right there, because I did not know how to get my friend, Mr. Young, into this. He went out and fought for the stockholders and the little people in the New York Central, and he had a tough time getting his battle won. It was not easy, and he will tell you that himself.

The CHAIRMAN. Of course, we had better not get into that discussion. All of his associates were not particularly little people.

Mr. HAYS. No. That is true. They certainly were not. But he has put forth a program and a platform for the little stockholders,

and he has done an unusual thing in his very first meeting, saying that his board of directors are not even going to take expenses. So I kind of feel like the little stockholders are going to get a break.

The CHAIRMAN. I have a very high regard and very warm affection for Mr. Young. And I suffered no great pangs of disappointment when he gained control in his fight.

You may go ahead.

Mr. EARL (reading):

The league, with its program of total democracy in industry, government, and human relations, has surely a great educational task before it.

We are seeking to meet the social challenge in many ways. We are continuing to send distinguished lecturers from here and abroad to our colleges and cities. We have published more pamphlets on educational and social problems this year than in many years past. We are conducting a campaign for the organization of city chapters which is meeting with remarkable success.

And I mention again that this is in 1950.

Our dinners and conferences during the last year or so, with Senator Humphrey, President David Dubinsky, John Dewey, Senator Lehman, and Walter Reuther, among others, as honored guests, have been of historic significance. Such college conferences as the recent regional conference at Harvard have been of a high order.

Our greatest educational task, is, however, before us. In the college world, the 2½ million young people on the campuses are today groping for light on problems of democratic social change. They are being propagandized by numerous reactionary organizations which have large sums of money at their disposal. They are being propagandized by totalitarian forces that receive their line not from hard, honest, independent thinking, but from a dictatorial government abroad. They are bewildered. Students are looking to democratic organizations like the league for enlightenment and guidance (p. 6).

Recruiting, training, organizing, public relations—these are still the chief activities of the LID by the testimony of its own commanding officers.

Both Mr. Ewing and Mr. Reuther—Mr. Ewing, as an aside, is Mr. Oscar Ewing, who went to represent President Truman at this particular meeting—seemed to feel that the real threat to America was from reactionaries.

The conservatives may yell "socialism" at any suggestion for improvement. They may feel the hot breath of revolution with every proposal for change. But most dangerous enemies we have to our American way of life are those very people whose emblem is not the eagle but the ostrich * * * (p. 13).

Those blind forces of reaction in America who would lead us back down the road to so-called normalcy and commit the American economy to the economics of scarcity and special privilege, are the Cominform's most valuable allies. These same blind forces, if permitted to grow unchecked in America, will drive us again to depression and disaster as they did in 1929, and provide the Cominform with a weapon more devastating than a stockpile of H-bombs.

Mr. HAYS. Just one question there, Mr. Earl. Do you not agree that if we did have another depression, it would be a good weapon for the Cominform?

Mr. EARL. Would be what, sir?

Mr. HAYS. A very good weapon for the Cominform.

Mr. EARL. Sure, I agree.

The CHAIRMAN. It is now 4:30. It would appear evident that Mr. Earl is going to be unable to complete his testimony this afternoon, and I thought we ought to discuss what the program is.

We had anticipated completing with Mr. Earl today, but not finding it convenient to proceed this morning, and being delayed somewhat in the afternoon, it is now certain that we cannot complete today.

Some of us have some obligations in our offices that must be fulfilled.

What are your suggestions, Mr. Wormser?

Mr. WORMSER. I think we had better continue first thing in the morning with Mr. Earl. We have the Social Science Research Council scheduled for tomorrow, but I suggest that we put them on after Mr. Earl.

The CHAIRMAN. If that is agreeable, then, we will go ahead with Mr. Earl.

Mr. HAYS. Is there any objection to inserting the rest of his statement into the record? We can have time to read it tonight and question him in the morning.

The CHAIRMAN. There may be some parts of it that he might suggest be put in the record, and some read. I have not, myself, had opportunity to read it yet, and I have had no one to assist me in digesting it, so that I am not in a position, as one member of the committee, really to say.

Mr. HAYS. My only point is this, Mr. Chairman. He is going to read it into the record, and I certainly am not going to object to his reading it. I would think that we could expedite the thing, since it has already been released to the press, and they have had a chance to cull over any parts of it they want, and the committee may have an opportunity to go over it tonight, and we could just consider it read and go on in the morning.

The CHAIRMAN. I am sure there are certain parts he would like to read.

Mr. EARL. If I may suggest this: I will go through this tonight and digest the rest of it.

Mr. HAYS. Why not insert it in the record, and then if you have any comments on various pages, you could go through it and note your comments. Do you think that would work out?

The CHAIRMAN. Let us determine that tomorrow. This is valuable testimony, in all probability, that he is now getting ready to present, and the chairman would not like to see the committee restrict him too much in the presentation of it.

Mr. HAYS. I had no idea of restricting him. I would be willing for him to comment at any length he wanted. But it seems to me the mere reading of it, since it has been released——

The CHAIRMAN. At the gentleman's insistence, we have suggested to the witnesses to prepare written statements of their evidence, and I am sure the gentleman does not intend to reflect on the importance of the testimony by reason of the fact that it has been prepared in writing and therefore is presented by the way of reading it.

Mr. HAYS. No; the gentleman from Ohio has no such intention, and my only idea in this in the beginning was to do the very thing we have done now. We go up to quitting time, and if the witness is not through, in order to prevent a break in his presentation, we could allow him, as we did for the staff, to put it in the record and continue his comments at another time.

The CHAIRMAN. I am sure of that. But we canceled the session this morning, and in the first hour of the session this afternoon, practically the full hour was consumed in colloquy between the members of the committee, which the chairman does not remove himself from as a participant, but the result has been that the witness has only occupied 1 hour this afternoon.

Mr. HAYS. I have no objection, Mr. Chairman, to the witness reading the rest of it in the morning if he wants to. I was only trying to expedite the thing and give some continuity to his presentation.

The CHAIRMAN. That can be done.

The committee will stand adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 4:35 p. m., the hearing was adjourned until 10 a. m., Wednesday, June 16, 1954.)

TAX-EXEMPT FOUNDATIONS

WEDNESDAY, JUNE 16, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10 a. m., pursuant to adjournment, in room 1301, New House Office Building, Hon. B. Carroll Reece, chairman of the special committee, presiding.

Present: Representatives Reece (presiding), Goodwin, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; John Marshall, chief clerk.

The CHAIRMAN. The committee will come to order.

You may proceed, Mr. Earl.

Mr. GOODWIN. I wonder, before Mr. Earl starts, Mr. Chairman, if we could not get some sort of a stipulation from the committee that we will be as easy as possible on the questioning. I notice that we are running behind schedule all the time. We learned yesterday that there was a possibility that the House may go into a 3-day recess period beginning with the first of next month. I know that those of us who like to get home occasionally would dislike very much to be held in Washington for the continuation of the public hearings. If the members of the committee could perhaps forego the temptation of cross-examining, it might be possible to expedite.

The CHAIRMAN. If Mr. Earl could be permitted to conclude his prepared statement, I think that would be well.

Mr. HAYS. I would like to have him put his statement in the record.

The CHAIRMAN. I haven't had the opportunity to study his statement, myself. As one Member of Congress, I would like to hear it. There might be some questions at the end that I would like to ask him.

Mr. HAYS. I would just like to say that I will try to refrain. I am just as anxious to get home as anybody else. But since I have sat patiently through a lot of testimony, some relevant and some not so relevant, about foundations, I am not going to show any inclination to shut this questioning off. I think the thing is very fundamental, and ample time should be given to this.

Mr. GOODWIN. My thought is that we could get down to the fundamentals the gentleman from Ohio refers to much more quickly if we use a little more discretion.

Mr. HAYS. I appreciate the gentleman's position, and I will try to cooperate, but I think the discretion will have to be left up to each

member of the committee. I don't believe anybody can decide but me what I think it is best to ask about and what is not.

Mr. GOODWIN. The last thing I would attempt to do is to tell you how you should conduct your questioning.

The CHAIRMAN. We will do the best we can to expedite the presentation, I am sure.

You may proceed, then, Mr. Earl.

TESTIMONY OF KEN EARL, ATTORNEY, LEWIS, STRONG & EARL, MOSES LAKE, WASH.—Resumed

Mr. EARL. Might I ask first whether or not the sound system is working? Is my voice heard up there now?

Mr. HAYS. If you will pull the microphone as close to you as you can, Mr. Earl, that will help. These are not as sentitive as some microphones.

Mr. EARL. We had gotten to the middle of page 12 of my prepared statement. We were speaking about a conference which the LID held in 1950. They reported that conference in a pamphlet entitled, "Freedom and the Welfare State." And beginning with the middle of page 12:

Mr. Israel Feinberg, vice president of the ILGWU and a member of the Board of the LID, had this to say:

> Labor, in effect, must become the vanguard of the welfare state. But welfare measures alone don't go to the heart of the problem. Labor must lead an attack on the private monopoly power of the giant corporations. It must seek a redistribution of income so that the working people have sufficient purchasing power to halt the drift to depression. All this would require further Government interventions into our economic life. To see to it that the necessary programs are carried out democratically, labor should insist on a voice in formulating and administering them. Labor should be represented on management councils, whether the ownership be private or public—that would be real industrial democracy.

Another LID board member, Mr. Norman Thomas, Socialist leader and chairman of the Post War World Council, attacked anticommunism in these words. This is also taken from the same publication. This is obviously a summary written by one of the editorial writers of the LID:

> "Within the trade unions, in the growth of which he rejoiced, there was grave danger that, under cover of a fight against communism—which, properly conducted, is legitimate and necessary in our unions—certain leaders may attempt to fasten a kind of Fascist dictatorship of their own on the unions."
>
> At Washington and in some of the State capitals, we suffer from a rash of stupid and reactionary proposals—

such as the Mundt-Ferguson-Nixon bill, which would, if enacted—

> jeopardize all of our liberty while doing nothing important to stop communism.
>
> The setbacks in civil liberties Mr. Thomas blamed on "the whole Communist technique of conspiratorial deceit," on the reactionaries who exploit the situation caused by Communists, "partly to cover their own bad records by a boisterous partiotism," and on the Republican Party, which is trying to find itself an issue in "socialism versus liberty" (p. 31).

I injected both of those excerpts, because I think that they are strictly in the political arena.

On April 11, 1953, just a year ago, the LID held its 48th annual luncheon in the Hotel Commodore. The subject was "The Crisis in American and World Resources." Speakers included Mrs. Eleanor

Roosevelt; Oscar L. Chapman, former Secretary of the Interior; Thomas C. Douglas, Premier of Saskatchewan, Canada; Adolph Held, chairman of the Jewish Labor Committee; Paul R. Porter, former United States Deputy for Economic Affairs in Europe. Dr. Ralph J. Bunche, Senator Paul H. Douglas, Congressman Jacob K. Javits and Dr. Harry A. Overstreet sent messages of congratulation and admiration to the league.

Mr. HAYS. Mr. Earl, could you tell me just why you put these names in right there, and what significance it has?

Mr. EARL. I put the names in partly because a little later I refer to some of their messages, and also to indicate the political character of the persons who attended the conference. And also, although this came up yesterday, I would like to refer to it: You mentioned yesterday that you figured I had come a long way to testify concerning a very unimportant organization. I rather suspect that persons of Mrs. Roosevelt's stature and Mr. Chapman's stature, and various other people who have been honored by the league and who pay it homage, would be rather at odds with you about that, because they obviously consider it an important organization.

Mr. HAYS. Well, I suppose, Mr. Earl, that they would be able to testify about that better than you would. I don't think you need to put any words in their mouths, and if they want to take issue with you, they can. But if you put their names in here for the purpose of trying to indicate that they are mixed up with any leftwing organization, I happen to know a couple of these people, namely, Congressman Javits and Senator Douglas, and I want to say to you that there are no more outstanding Americans in Washington today than those two men, and both of them have a long record of anticommunism.

Mr. EARL. Mr. Hays, I did not say that these people were leftwingers, that they were Communists, or anything of the sort. I would like to point out that these people are proud of their association with the LID, and what the LID has done. They have said so. And they are going to be the last persons in the world to disavow anything that they have said concerning it.

Now, I put their names in here to indicate the type of people who are associated with the LID and who nurture the things that the LID stands for. That is the reason I put their names in there.

They have been associated at their affairs, and some of these people have been honored by the LID and have gone there to receive their plaudits and banquests, et cetera. And I don't think any of them are going to disavow what the LID has said.

Mrs. PFOST. Mr. Earl, do you think that is bad, for them to be mixed up, as you say, with the LID?

Mr. EARL. No, Mrs. Pfost, I don't think that it is "bad." I say that it demonstrates the political nature of the LID, and the fact that it is constantly in the political arena. I am not here to judge the merits or the demerits of the program that the LID has espoused, except to say that the LID has espoused socialism, and that they are for certain things, and that, being for a certain political program, for certain legislation, I think they should be plumping for it with dollars that remain after their income has been taxed.

Mrs. PFOST. By your dropping these names in or referring to these people as being associated with or mixed up with the L. I. D.,

does that mean that you feel that these people are trying to further socialism? Is that the implication, by bringing the names in?

Mr. EARL. I think that the implication stands for itself. The LID stands for certain principles. It has made no bones about what those principles are. I think the record of the various conferences indicates what those are. You and I know that a great many of those principles have been espoused by both the Republican and the Democratic parties. So I will just drop it there.

Mr. HAYS. Well, let's not drop it there, for just a minute. You use a technique that is not one that you have developed yourself. It has been around here before; in which you start off with the premise that these people are not Communists, and thereby plant the seed; just as though I would say to you, "Now, Mr. Earl, don't for a minute think that I think you are stupid," and if I hadn't brought that up, nobody would have thought about it, would they? I am just using that as an illustration, not that I mean you are. But that is the kind of technique you are using on these names.

Mr. EARL. I disagree with you, but that is all right.

The CHAIRMAN. It is pretty difficult to discuss an organization without discussing some of the names that are associated with it, it seems to me. But, as I understand, the whole purpose here, or the primary purpose here, is to indicate the political characteristics of the activities of the organization, which is supported by tax-exempt funds.

Mr. HAYS. Well, I will just give you a little example. We get over here, and he says Senator Douglas received an award, and he says he sent a speech up which would make interesting reading, implying there is something bad about it. When we come to that I am going to read it.

Mr. EARL. I was going to read it.

Mr. HAYS. I would like to read it, and you may comment on it.

The CHAIRMAN. Proceed.

Mr. EARL. The LID, according to the luncheon program, "serves as a liaison between many liberal forces of this country and abroad." It is questionable if liaison work with political activists is "educational" within the limits of our statutes relating to tax exemption. It is even more doubtful that giving public relations support to the political leader of a Canadian Socialist Party is pure research.

The CHAIRMAN. It was my impression that the State Department served as liaison between this country and the forces abroad. Maybe I was in error in that.

Proceed.

Mr. HAYS. From some of the comments I have read about the State Department, I would say that almost anything you might say about them could be in error.

Mr. EARL. Here is the league's citation to Thomas C. Douglas, Premier and Minister of Cooperatives, Saskatchewan, Canada:

> In 1944, following a brilliant career as ethical leader and member of the Canadian Parliament, you were elected, against the powerful opposition of the forces of special privilege, the C.C.F. Premier of Saskatchewan.
>
> Four and eight years later, you and your able and dedicated coworkers were returned to power with overwhelming majorities. Under your dynamic, creative and socially visioned leadership, the Cooperative Commonwealth Federation Government assured to the people a clean and honest administration; enacted the most advanced legislation on the American continent in the fields of natural

resources, human rights, health and social insurance; worked out a harmonious relationship between the strong cooperative movement and expanding public enterprise; steadily improved the cultural and recreational services, and gave to the world an example of social and economic planning with freedom that has placed every democratic country in its debt.

In recognition of these historic achievements, the League for Industrial Democracy, at its 48th Annual Conference, takes pleasure in presenting to you its 1953 Award to a Distinguished Leader from Abroad, and looks forward to your continued pioneering services to your Province, your country and the democratic world.

Mr. Norman Thomas, in presenting citations to Paul Porter and Clarence Senior, said:

Today we wish to show our appreciation to two active student officers of the late twenties who have since been of great service to our country and the world. * * * nowhere in their career is it mentioned they were active Socialists. Paul Porter used to give me kind of a headache too about the kind of Socialist he was at times, but it's not mentioned now; he perfectly safe as far as I am concerned. And as for Clarence Senior, I read that "* * * following his graduation, after a decade of service in the fields of adult education * * * public housing and labor and Socialist political action, * * * he entered the field of inter-American * * * relations." Now the truth about this man must be told; he was once the national secretary of the Socialist Party and he did a very good job.

I am awfully proud to have known these men so long, and awfully proud of what they have done. They have done the kind of work that might have saved us if more people had done it. For instance, imagine if by their work in the days of their less reputable calling they could have made Texas or Louisiana Socialist?

Do you think we would have had to worry about who would own the oil? I don't. I am quite sure that there would have been an extraordinary change in our theory of States rights, Mr. Ex-Secretary Chapman, at this point. They did a grand job and they are doing it now. (From the luncheon program.)

The LID News Bulletin, January 1953, in announcing this forthcoming conference (referred to above) used this language:

At a time when the country is using up many of its natural resources at an unprecedented rate; * * * when powerful lobbies are seeking to take our offshore oil resources out of the control of the Federal Government, to return the TVA to private monopoly and to prevent the further public development of the Nation's vast hydroelectric resources, and when adequate aid in the development of resources of other lands is vital to the maintenance of world democracy, it is most fitting that the LID should give its attention this year to this important problem of conservation (p. 1).

If there is any doubt that the bulletin is anything other than a rallying cry for a militant lobby—rather than an educational journal—such doubt can be dispelled by turning to page 6 of this same issue. There the LID's program for "democracy in action for 1953" is set forth by Dr. Harry Laidler, executive director. It should be noted that the academic recommendations endorsed by the league just happen to deal with the issues then before Congress. Moreover, instead of presenting both sides, they urge action in behalf of a particular piece of legislation. Excerpts from this democratic program follows:

In presenting this program, Dr. Laidler declared that advocates of a strengthened democracy would be confronted in 1953 with powerful opponents, well supplied with funds, and that, for the first time in 20 years, the main body of the Nation's press would be alined on the side of the party in control of our national government * * * (p. 6).

1. Conservation of natural resources: It urged the increase of forestland public ownership and control; the retention of offshore oil by the Federal Government and the use of revenues from oil resources for educational purposes; extension of the TVA principle to other river basin developments * * *

2. Social security: The program recommended that the Nation consider the enactment of a democratically operated national health insurance system * * *

and the strengthening of the old-age pension and unemployment insurance system * * *

3. Labor legislation: * * * (reorganize child labor laws)

4. Economic stability: It favored the formulation of plans for the maintenance of economic stability when defense tapers off, by means of credit controls, progressive taxation, useful public works, social-security programs, and other measures.

5. Housing: It proposed * * * Federal aid for the construction annually by municipal housing authorities of a minimum of 135,000 apartments for low income and middle income groups——

Mr. HAYS. That is the Eisenhower and Taft program.

Mr. EARL (reading):

6. Education: * * * (Federal aid, better salaries for teachers, "freedom of inquiry," etc.)

7. Civil rights and antidiscrimination legislation: (stressed need for Federal and State FEPC laws, liberalization of our immigration laws, fair hearing to all public employees charged with un-American activities.)

8. Corruption: (Favored purge of dishonest officials.)

9. Foreign policy: The program favored, in addition to military aid, increased economic, social, and educational assistance to developed and underdeveloped countries * *.*

10. Labor and cooperative movements: It urged * * * labor unity, the strengthening of collective bargaining * * * in white collar trades. * * * It likewise urged the strengthening of the consumers' and producers' cooperative movement * * *

* * * the league report viewed as antidemocratic trends the increased influence of such public figures as Senator McCarthy on important Senate committees; * * * the increased confusion among Americans regarding what should constitute a realistic democratic foreign policy; the bitter propaganda against the United Nations which had been witnessed on all sides during the year and the continued threats of men like Governor Byrnes to destroy their State's public school system rather than abolish segregation in the public schools (p. 6).

Whatever the merits of these proposals, they suggest the platform of a political party or the legislative guide of an organized lobby—not the reflection of an educational institution.

An examination of some of the pamphlets recently published by the LID reveals that the league is still marketing a product suspiciously close to "propaganda."

From—Needed: A Moral Awakening in America, a symposium; report on LID luncheon, April 25, 26, 1952—this is a summary by the editor.

August Claessens, national chairman of the Social Democratic Federation, took a dimmer view of trends in business morality than did Mr. Rennie, and declared that, in his opinion, "capitalism, now so inoffensively called 'private enterprise,' is essentially immoral. It is a source of corruption in business and politics. Private enterprise corrupts Government enterprise and the only effective steps toward the elimination of these immoral influences are the rapid extension of collectivism and the advance of the cooperative movement" (p. 28).

At the same luncheon, Walter Reuther presented a citation to Philip Murray on behalf of the LID. The citation was received by James B. Carey for Mr. Murray, who was unable to be present. Mr. Reuther referred to the Government seizure of steel as an example of the need for morality in American industry:

The steel industry cries aloud in protest against Government seizure, yet the steel industry fails to realize that in a free society there is no substitute for the voluntary acceptance and discharge of moral and social responsibility. It was the failure of the steel industry voluntarily to discharge its social responsibility by bargaining in good faith that created the crisis that compelled the Government, as the agency of the people and the guardian of the public good, to intervene. Never in the history of industrial relations has there been a greater need for,

and such a tragic lack of, the moral leadership on the part of American industry (p. 7).

James B. Carey, secretary-treasurer, CIO, made the following remarks in accepting the citation on behalf of Mr. Murray:

It is fitting, therefore, that a League for Industrial Democracy should honor a Congress for Industrial Organization. The aspirations and goals of our two organizations are more than similar—they are complementary.

The steel barons of our day are determined to victimize not only their own employees, but all American consumers and wage earners. In their complete abandonment of moral and ethical sensibility, they would undermine the living standards of millions of Americans and even jeopardize the national defense program itself. * * *

Our country needs, and our world needs, collective indignation that takes on strength and crusading power only by the cohesion of brotherhood inspired by the common economic, political, and social goals that all working men and women share * * * (p. 11).

Mr. Abraham Lefkowitz, principal of Samuel J. Tilden High School, made the case for progressive education as a means of fighting corruption. This is taken from pages 24 and 25.

Mr. GOODWIN. Where is the Samuel J. Tilden High School?

Mr. EARL. The Samuel J. Tilden High School is in New York.

Democratic education creates social individuals, not individualists. The individualist works for a self and subtracts from others; but the social individual is most to be desired because of what he bestows upon others, through no loss to himself.

Having attracted first-class minds free to develop the highest spiritual ideals, how can our schools help pupils to be receptive to these values? We know exhortation is no more effective than mere possession of knowledge. Children must face vital social problems and participate in their solution, based on recognized social values that evolve from group planning, discussion, study, and action. Hence, our schools, now dominated by the competitive ideal of each for himself and the devil take the hindmost, must subordinate the competitive ideal with its marks and rivalry for individual gain to the social service ideal of cooperation for the common good or for group objectives or the development of talent (pp. 24, 25).

Perhaps there is no more succinct explanation of the interrelationship of progressive "education" and socialism.

Mrs. PFOST. What connection does Mr. Lefkowitz have with LID?

Mr. EARL. I am not sure what his current affiliation is. I would have to check. H appeared as a speaker at this particular program.

Mrs. PFOST. I beg pardon?

Mr. EARL. I say he appeared as a speaker at this particular luncheon.

Mr. Lefkowitz continues:

A critical study of social problems; emphasis on sports where the indivdual, despite his desire to shine, is taught to subordinate self to the team chosen without discrimination; or stress on creative arts or school group activity based on democratic planning, etc.—all these develop a social outlook and should make for spiritual values (p. 25).

Toward Nationalization of Industry, by Harry W. Laidler, executive director of the LID, was published in 1949 and represents a fairly recent explanation of LID views on this subject. Excerpts from this pamphlet follow:

One of the outstanding questions before the American people today is whether they should work for the increase or the decrease of the powers of the Federal Government over the economic and social life of the country (p. 3).

Among our public utilities, one corporation controls a practical monopoly of the telephone business and another of the telegraph business of the country. Great holding and investment corporations control much of our electrical industry, while a major part of the mileage on the Nation's railways is directed by a handful of large railroad systems and banking groups. One, two, three, and four overlords of industry control more than half of the business in many of our manufacturing industries, while a few large banks, centering in New York, possess an enormous influence over the industrial structure of the country (p. 4).

Mr. KOCH. Mr. Earl, a pamphlet such as this, Toward Nationalization of Industry, is that for sale, or sold, by the LID, or is that distributed free of charge? Do you know?

Mr. EARL. On the front it reads, "Price 25 cents," so they must have been for sale.

Mr. KOCH. And, of course, we don't know whether they make money or lose money on some of their publications, but they do publish books, don't they, or pamphlets?

Mr. EARL. Yes, they have quite a list of pamphlets that they list on the back of each of their publications.

The selection of facts, the emphasis and the choice of vocabulary here combine to distort the picture of America in much the same fashion that it is distorted by the propaganda mills of the U. S. S. R. Dr. Laidler continues:

Under a system where the basic industries of the country are privately owned and run primarily for profit, therefore, much of the income of its wealthiest citizens bears little or no relation to their industry, ability, or productivity (p. 6).

Here is the familiar theme, common to all Marxists, that capitalists are drones and parasites. Moreover, it will be seen from what follows, that they are actual or potential fascists. Then we go on, on pages 8 and 9:

The development of our system of private industry, furthermore, has been accompanied by attempts at autocratic controls of economic, political, and social relationships by owners and managers of our giant industries.

Many of our great leaders of industry who have constantly and bitterly opposed the extension of Federal power and nationalization on the ground of "regimentation," for years spent much of their time in an attempt to regiment their own labor forces and, through the use of the spy system, armed guard, police, constabulary, militia, injunction, and blacklists, to prevent the workers under them from exercising their American right to organize and to bargain collectively. Laws passed during the thirties have made illegal many of these practices, but ruthless and undemocratic procedures in labor relations are still resorted to in industry after industry by the possessors of economic power. These same leaders have sought to control and regiment political organizations, the press, the platform, the pulpit, the school, and university in the city, the State, and the Nation.

The industrialists of the Nation have frequently kept prices high and rigid, have kept wages down, have constantly chiseled on quality, and have run their businesses not for the service of the many but for the profit of the few. In many instances they have sought to involve the country in international conflict with a view of safeguarding their investments abroad (pp. 8, 9).

Dr. Laidler calls for nationalization of our forests, coal mines, oil reserves, railroads, electrical power, communications, et cetera:

Our forests should be brought far more completely than at present under Federal administration * * * (p. 9).

The forests of the country, under private ownership, are, furthermore, cut down faster than they are restored.* * * Public ownership and operation, on the other hand, would guarantee scientific forest management (p. 11).

Bituminous coal mines should be brought under the control of the Federal Government. * ** The condition of the industry under private control has long been chaotic (pp. 11, 12).

Anthracite coal is another resource which, in the interest of the Nation, should be owned and controlled by the Federal Government (p. 13).

The waste in the exploitation of our oil resources likewise necessitates further Federal control (p. 13).

The Federal Government should likewise increase its control over the Nation's power resources * * * Dr. Isador Lubin some years ago suggested the creation of a Federal Power Corporation, which should have ownership not only of water-power, but of coal, oil, and natural gas, with the view of coordinating the efforts on a national scale of all of those industries which generate power (p. 15).

(Dr. Lubin, Commissioner of the Bureau of Labor Statistics from 1933 until 1946, was the United States representative to the U. N. Economic and Social Council from 1946 until March of 1953.)

The case for the nationalization of the railroads is a powerful one. Such ownership, in the first place, would make possible the scientific planning of the transportation industry for the entire country (p. 16).

Only under Government ownership can a sensible plan be worked out. Only under such ownership can a foundation be laid for cooperation between the railroad system and busses, water transportation, airlines, trucks, and other forms of transportation, a cooperation absolutely essential to the health and welfare of the Nation's transportation system (p. 17).

If this means anything at all, it means rigid Government control over all forms of transportation, not just railroads. Note also the wholly unreal assumption of bureaucratic infallibility which underlies the case for continental coordination of transportation.

And to quote from page 18:

Only under Government ownership will it be possible to secure enough cheap capital adequately to modernize the railroad system.

Finally, Government ownership would serve the interests of democracy by taking this vitally necessary industry out of the grip of a mass of holding companies and financial interests intent on profits and placing it in the hands of representatives of the 150 million people in the United States. Surely an industry on which the health of the whole continent system is so dependent should not be the plaything of small groups of railroad magnates and financiers. * * *

Statements to the effect that American railroads are the "plaything" of financiers do not belong to the realm of responsible scholarship.

Mr. HAYS. Mr. Earl, I would like to interrupt you right there and just ask you a question or two about that last editorial statement of yours.

Are you familiar with such characters as "Bet a Million" Gates, Diamond Jim Brady, Commodore Vanderbilt, and a fellow by the name of Grew, and so on, who played around with the railroads for a great many years?

Mr. EARL. I have heard some of their names, yes.

Mr. HAYS. Did you ever hear about the time one of them bundled up $5 million in securities and crossed the river in New Jersey so that the opposition crowd couldn't get hold of the money it was felt belonged to the new board of directors? Did you know that the Erie Railroad only within the last 10 years or so paid off the indebtedness caused by water that was put into its stock by some of these same people? I mean, if you are going to editorialize, I think you ought to perhaps be a little more familiar with your subject.

Mr. EARL. Well, I point out here that I still contend that these are things that these people in a tax-exempt organization shouldn't be indulging in.

Mr. HAYS. Which people? You mean the manipulators shouldn't have indulged?

Mr. EARL. No, I am talking about Mr. Laidler.

Mr. HAYS. All right. That is all. Go ahead.

Mr. EARL. Quoting from page 19:

> Similar arguments may be advanced for the public ownership of our electrical power. The experiments by the Federal Government in hydroelectric power in the TVA in Boulder (now Hoover) Dam and Columbia Basin, as I declared before, should be extended and the city, State, and Federal Governments should secure all control over the electrical resources of the Nation.
>
> Public ownership of our electrical industry, as of our railroad industry, would make possible a unified control of the industry throughout the country. It would lay the foundation for a coordination of the power industry in general (p. 19).

Communications, manufacturing, banking and credit are not ignored by Dr. Laidler's proposals for nationalization. (See p. 20) And on page 22 Dr. Laidler calls for a housing bill which stirs the imagination. Dr. Laidler would not nationalize the composition of symphonies or the writing of novels, but his language suggests that "thought control" would follow "industrial control." (See p. 23.)

Dr. Laidler goes on to say:

> If public ownership is to be truly democratic, furthermore, each socially owned industry should be administered democratically. That does not mean that the workers in each industry should completely control that industry. * * * The final control of a publicly owned industry should be in the hands of society as a whole (p. 24).

Dr. Laidler goes on to admit that:

> Of course the exact type of democratic control which should be adopted would have to be worked out on an experimental basis over a long series of years (p. 25).

Answering the charge that socialism will eliminate and frustrate the range of consumer choice, Dr. Laidler replies:

> Of course under public ownership consumer choice should be made as *free as possible*. In *ordinary* commodities and during *ordinary* times, the Government should merely try to chart the past trends in the field of consumer demand, and, on the basis of past demands, decide how much of various types of commodities should be produced in the immediate future. In the nature of the case, Government agencies and voluntary groups and individuals should do their part to educate the public regarding the value of certain commodities; to encourage the purchase of socially desirable goods and discourage the purchase of "illth" * * * instead of wealth. But all regimentation in this field of activity should be avoided (p. 26.) [Italics added]

It is difficult to reconcile the pious declaration against "regimentation" with the suggestion that Government agencies should "educate" the public to accept "socially desirable" goods. Incidentally, who writes the definitions? Who decides that the times are "ordinary"? For notice that it is only during "ordinary" times that the choice will be as "free as possible." Finally, where is the guaranty that linking future production to "past trends" will benefit the consumer?

In analyzing the propaganda themes of the League for Industrial Democracy, it is instructive to see what prominent members of the league have had to say about communism. And I would like to say first here that I have included these references concerning this subject as a demonstration of socialism's constant search, at least what I think is its constant search, for the silver lining in the Communist cause. Since Marx's manifesto is the foundation of both socialism and communism, socialists feel very badly about seeing their first cousin go astray. And further I have included them because communism is

one of the powerful political issues of our time; that most people are now agreed that communism is an international conspiracy.

Hence, it is interesting to read what certain people have had to say about it. And if you want me to, I shall go through it. It is contained on page 20 through the middle of page 24 of my statement, and contains first the statement of Mr. Alfred Baker Lewis, who was chairman of the LID board in 1943 and 1944. This pamphlet, entitled, "Liberalism and Sovietism," was published in 1946.

This essay represents an attempt by socialist intellectuals to disassociate themselves from the terror and cruelty of Russian communism. An uncautious reader is left with the feeling that, while Russian foreign policy is evil, the economic program of the Soviets is really quite acceptable.

Excerpts from the above pamphlet follow. Mr. Lewis explains to his fellow liberals just how the Bolsheviks came to be unfriendly:

> The governments of every capitalist nation, i. e., of every nation in the world but Russia, immediately upon the Bolshevik's seizure of power in that land, turned against the Bolsheviks, or the Union of Socialist Soviet Republics, to use the official title. They did this partly from determination to preserve the right of capitalist ownership of industry, banks, and natural resources.
>
> Since every government was against them * * * the Russians naturally were against every government. They therefore sought to set up out-and-out revolutionary parties in all other countries (pp. 3–4).
>
> Such was the call to revolution. *It was not unnatural; in fact, it was largely a defense measure,* since all the Russian Government was doing was building backfires against the governments which were conducting either directly or through agents military invasions against it (p. 4). [Italics added.]

Now, let me digress for a moment and say that Mr. Lewis was very rough on the Communists in here for their terror and all of the other things that we know that Russia is doing. But I think this first thing demonstrates in a small way the fact that he was trying somewhere to find a silver lining.

Substantially the same argument was used by Communists to explain the Soviet war against tiny Finland, and the knife thrust into Poland's back. All Russia was doing was protecting herself against Fascist invasion by seizing another broad band of territory across which Nazi armies would have to march. Similarly, subversion today is merely the Kremlin's method of combating the aggressive war plans of American imperialism.

Throughout the booklet, Mr. Lewis shifts the emphasis from the international Communist conspiracy as a threat to world peace and stresses the danger of Russian imperialism. In effect, this kind of argument produces the kind of psychology in, say, America, that might unify the Russian people behind their Communist overlords, in much the same way that the dogma of "unconditional surrender" unified the German people behind the Nazis. Russian "imperialism" is lightly chastized as a modern form of British imperialism. Slave labor, genocide, brain-washing, espionage, kidnaping, political assassination—all the instruments of total and unlimited terror are, by implication, equated with the rule of the English sahib, sipping gin in the Indian sun.

And then to go on, from pages 16, 18, and 19:

> Russian imperialism is also evident in Bulgaria (p. 16).
>
> In another part of the world, in Manchuria, the Russians are pursuing the policy of Hitler * * * In addition, directly reversing the policy of the Soviet Government under Lenin when the Russians ceded their imperialist rights in the

Chinese Eastern Railway to the Chinese Government, the Russians got from the Chinese Government an agreement giving them a half interest in the Manchurian port of Dairen * * * (p. 18).

The British Labor Government and the American Government have usually opposed to some extent the extreme demands of Russia * * * On numerous other minor issues *the British and Americans have differed with the Russians.* Consequently, the Russians have done all they could to embarrass the British and American Governments, especially the British. For that is simply the psychology of you oppose me and I'll oppose you (p. 19). [Italic added.]

The "master plan" for world conquest, it would seem to Mr. Lewis, is nothing more than simple retaliation for British and American rudeness.

Mr. Lewis concludes his study with suggestions as to what "real progressives" should do in the fight against communism. He urges them to oppose Communist penetration of liberal groups and, at the same time, to "loyally defend the civil rights of Communists."

Liberals should not be afraid of being called redbaiters. Strictly speaking, no one is a redbaiter except a person who tries to deny to Communists their civil and political rights. Liberals should and most of them do loyally defend the civil rights of Communists as well as others * * * (p. 25).

You are not a redbaiter because you oppose Communist penetration in the guise of liberals into other organizations or oppose the Communist Party's influence in its "innocents clubs" or transmission belts or because you oppose Russian imperialism. You will be called such, but do not let that worry you. You would only be a redbaiter if you tried to prevent by law the Communists from establishing their own organizations (p. 25).

After arguing that the way to stop Russian imperialism is by strengthening the United Nations, Mr. Lewis ends on a note of hope. After all, he says, the Communists are not as bad as the Nazis; there is, therefore, "a real possibility of peace."

* * * there is one important and vital difference between the Russian totalitarian dictatorship and the Nazi one. The Communists never were racialists, even though the Soviet Government refused to admit Jewish refugees from Nazi persecution * * * Far from being racialists the Communists both in Russia and elsewhere are sturdy opponents of racial discrimiation, and active propagandists against race prejudice (p. 28).

Mr. Lewis then advances an ingenious argument to demonstrate that aggression and war are not necessarily part of the Communist plan. (See pp. 28, 29.) The statements of Soviet leaders that the destruction of either the Communist or the capitalist world is inevitable are, apparently, as irrelevant as their acts.

We may reasonably have some hope, therefore, that Russian Communist leaders can be persuaded * * * that the American and Western European democracies want peace and the end of imperialism and of power politics, and oppose Russia only when she is imperialist, not simply because she is Communist * * * We might at the worst have two worlds * * * yet all competition between them could be kept on a civilized basis of raising higher their respective standards of living, and that would not necessarily lead to war * * * (p. 29).

The Soviet's original attacks on the governments of the democratic nations through the Communist Parties which it set up and controlled, were defensive measures against attacks actual or expected from those capitalist nations. Russian imperialism today is the result of an act of will on the part of the Russian dictator, Stalin, and not because it is the nature of a Communist dictatorship to practice aggression upon its neighbors (p. 29).

The invasion of Korea, the seizure of Tibet, the use of Chinese Communist arms and cadres in Malaya and Indo-china seem to sing a contrary song.

(NOTE.—Alfred Baker Lawis, author of above statements, is listed as chairman of the board of the LID for the year 1943–44.)

There seems to be some inner compulsion which prompts even tough-minded liberals, who understand and despise the Soviet police state, to search desperately for the silver lining. Here is Norman Thomas, another chairman of the board of the LID, writing in Democracy Versus Dictatorship, published in 1937.

This pamphlet, entitled "Freedom and the Welfare State," which was published in 1950, still carries "Democracy Versus Dictatorship" as one of their current pamphlets.

This is a quote from page 11:

> * * * it is still true that between the Fascist and Communist types of dictatorship there are important differences. Both accept in practice the doctrine of the totalitarian state, under the dictatorship of one party which form of government, and communism as an instrument for achieving the final Communist society in which the coercive state will have become unnecessary. The Fascist dictatorship is bent upon preserving in a large measure the profit system and the class divisions of society. The Communist dictatorship has already practically abolished the profit system and the older class divisions of society. Neither Italian fascism or German nazism has any such record of social achievement in the education and industrialization of a backward people as the U. S. S. R. since 1917. If there is danger in Russia of a new type of class-driven society at least communism, like Christianity, carries along in its own sacred books the dynamite for the overthrow of the hierarchies it may develop.

Mr. Thomas leaves no doubt in the reader's mind that socialism is to be achieved at the polls:

> It will be the business of the workers with hand and brain, the lovers of true peace and true democracy, to make the wars and confusions of a bankrupt society, the society of a federation of cooperative commonwealths.
>
> That cannot be done simply by the ballot in a world gone mad. Indeed, under no circumstances can the working class put its trust simply in the political democracy of which the ballot is the symbol.

In another booklet, Russia—Democracy or Dictatorship? published by the LID in 1939, and I think still on their current list, Norman Thomas documents the case against the Soviet slave empire. The piece is a detailed indictment of most, if not all, of the horrors of the Stalinist regime. Nevertheless, the concluding paragraph ends on this somewhat curious note:

> One can hope that the Russian revolution, stolen from the masses by a Stalinist bureaucracy, will some day be rewon by them. One can hope that democracy can be achieved within the Communist Party, and that other parties will win the right to function. One can hope that the material benefits of state ownership will be more equitably shared by the masses, and supplemented with the liberty that Socialists believe to be equally important. One can still hold communism superior to fascism, while rejecting the continuing totalitarian terror that is a common feature of both, and that tends to reduce life under it to a common denominator of serfdom to the state. Above all, one can hope that the western democracies, including the United States, will some day enjoy the blessings of socialism without having first to endure the agony of the transition period, through which Russia has been passing for more than 20 years.

Mrs. PFOST. Mr. Earl, if you put in this quote here, why did you not put in the quote that gave the detailed indictment of most, if not all, the horrors of the Stalinist regime? We will all agree that certainly we would not want to live under his regime, and if you are going to quote the one section, why did you not quote the other, to give us both sides of the picture?

Mr. EARL. I am going to submit for the committee's use all of the pamphlets to which I have referred, so that you will have that material. I mentioned that he had done that, but I put this concluding paragraph in to demonstrate once again this great hunt

for the silver lining that they find in communism; and that they hope that socialism can be achieved here without our having to go through that terrible period that Russia is passing through. Does that answer your question?

Mrs. PFOST. Yes. I just couldn't understand, if you were going to give the true picture, why you would put one quote in and leave the other out.

Mr. EARL. I think we all understand what Russia is.

Mrs. PFOST. Yes.

Mr. EARL. And that it is a dictatorship, and that there are a great many terrors there, and he does a beautiful job of documenting those.

In the preface to this work, the editors state they have tried to publish a work which would contain two viewpoints, one "more sympathetic to the present Soviet Government" than the one offered by Mr. Thomas.

> Among those who have been invited to present the other side of this controversial subject are Maxwell Stewart, Corliss Lamont, Robert Dunn, Mary Van Kleeck, Jessica Smith, and Earl Browder (p. 3).

When there were no takers, the LID, after delaying for nearly a year, finally decided to publish the Thomas essay, which is highly critical of the Russian experiment. Apparently, however, the editors could not resist at least one word of explanation in the preface which might soothe the outraged feelings of the pro-Soviets.

> The authors will be the first to insist that ideal democracy exists nowhere, and certainly not in the United States, with its unemployment and labor injunctions, its treatment of Negroes and sharecroppers, and its many other problems. They will be the first to admit, likewise, that the U. S. S. R. should be examined and judged, not by American standards, but in the light of Russian history and conditions. It must also be admitted that democracy everywhere is more limited during war than in times of peace, and that the Soviet leaders, living for many years in almost constant fear of attack, had a war psychology long before hostilities began (p. 4).

Mr. HAYS. In order to know what that paragraph means, Mr. Earl, could you give us the year when it was published or written?

Mr. EARL. I believe I referred to the year of 1939. Just a second. Yes, December 1939.

A Conference of the League for Industrial Democracy, held at the Hotel McAlpin, New York City, on May 8, 1943, brought together a number of labor leaders, Socialist professors and foreign politicians. They met to emphasize the need for postwar planning if the free world was to be spared mass unemployment and depression. The presence of so many Socialist leaders from abroad emphasized the reality of the world movement against capitalist society, a movement in which allies join hands across national frontiers to combat their own countrymen.

The proceedings of the conference were published in an LID pamphlet entitled "The Third Freedom: Freedom From Want." A list of outstanding participants, together with significant excerpts from their speeches, follows:

1. The Right Honorable Arthur Greenwood, leader of the British Labor Party in the House of Commons, broadcast a message from England which was rebroadcast during the LID luncheon. (Mr. Greenwood was elected treasurer of the British Labor Party in the summer of 1943; as a Minister in the War Cabinet of 1941, he ap-

pointed Sir William H. Beveridge chairman of the committee which used the Beveridge report on social insurance.) Greeting his friends in the LID, Mr. Greenwood remarked:

> The significance and importance of your work will not be limited to the United States. We over here are greatly interested in it, too. The subject you are dealing with vitally concerns people everywhere because it expresses one of the deepest aspirations of the masses of all peoples (p. 3).

It is our duty, according to the British Labor Leader, to make freedom from want—

> inalienable through the law of nations. To provide freedom from want is one of our chief tasks. It is an urgent problem that concerns the society of nations and national communities, and is not merely one of individual responsibility (p. 4).

It is very clear that Mr. Greenwood, like many of his colleagues, sees the necessity of pressing for socialism at the strategic level (i. e. world cooperation as well as socialism within nations).

> A new inspiration and impetus was given to social planning by the declarations of the Atlantic Charter. But important as these individual national preparations and plans may be, it is of the first importance that we should keep constantly in our minds that the indispensable basis of a universal forward movement toward social security and social justice for the peoples is to be found only in the concerted action of the nations working in the closest and most effective cooperation (p. 4).

Mrs. PFOST. Mr. Chairman, we have been here now a little over an hour, and we have covered 12 pages, and there have been very little in the way of interruptions. We have 13½ pages yet to go. Do you think it is necessary for us to sit and listen to the material read to us? Couldn't Mr. Earl submit this for the record?

The CHAIRMAN. Mr. Earl would have preferred to have spoken offhand, but in order to give the committee members the testimony in advance, it was necessary for him to make a written statement, so as not to fall into the position for which some of the previous witnesses have been criticized. And the mere fact that at the instance of the committee as well as its insistence it became necessary for him to prepare a transcript, I hardly think it is fair to the witness to suggest that there is anything odious about reading a statement.

Now, so far as I am concerned, I have not had opportunity to read this, myself, and it takes no more time for me to listen to it than it would for me to read it myself.

Mrs. PFOST. The reason I brought it up was in view of the fact that we did have the material in advance, and I have gone over it, and I was hoping that he might be able to expedite the hearing just that much; because we do have the context of what Mr. Earl is trying to convey to the committee, and in view of the fact that the House is in session, I thought perhaps it would speed us up considerably if we would be able to offer the statement for the record, and that we might question him a little.

The CHAIRMAN. Well, he has certain passages marked, I think, to have included in the record, and has included some of them, and is only going to read what he thinks would be of more particular interest.

Mr. EARL. How would it be if we compromise, and I will go through and just refer to some of them. Of course, whatever the committee decides is agreeable with me.

Mrs. PFOST. It was my understanding last night that he expected to sort of hop through the testimony, and I for one am appreciative

that we do have this transcript before us and that we have had an opportunity to have a few hours. We didn't get very many hours before your testimony started.

Mr. EARL. I got it to the committee as quickly as I could.

The CHAIRMAN. You may proceed.

Mr. EARL. Two. Dr. Carter Goodrich, chairman of the governing body of the International Labor Office and professor of economics at Columbia University, reinforced Mr. Greenwood's thesis:

> I wish to argue, first, that attaining freedom from want for our own people, as well as for others, requires international cooperation as well as national action; and, second, that in this cooperation we should make large use of an agency, the International Labor Organization, which is itself, in its structure and way of working, a notable example of industrial democracy (p. 6).

3. Mr. Robert J. Watt, international representative of the American Federation of Labor, produced a typical propaganda assault on capitalist society:

> Freedom from want is the No. 1 of the goals toward which civilized man has worked through the centuries. The present paradox of want amid plenty is evidence of negligence, of laziness and leadership, of stupid, unthinking acceptance of an economic fetish from the laissez-faire cult.
>
> Democracy cannot survive if it bends its economic life to the taboo of an ancient medicine man (p. 10).

He also poses an economic and political solution to the problem of want:

> For freedom from want, workers must be paid such wages as represent their true productivity in order that their purchasing power can sustain the circulation of goods. Wages of capital should go down to the measure of its actual social value (p. 11).
>
> Yes, for freedom of our people from want, the Nation cannot pay too high a price. What we cannot afford is to ignore or be overly timid in preventing such want (p. 12).

Of course, in skipping around here, I don't want any inferences that I am just trying to pick out some juicy parts. I think it is all important, or I wouldn't have written it.

Mr. R. J. Thomas, chairman of the United Automobile Workers, CIO, sent an address, and I am just going to quote the last quote in pages 14 and 15. He tells, first, that after the war he figures that there will be a lot of trouble and depression, et cetera, and then he has this to say:

> There is another alternative: That alternative is to insist that our great productive machinery shall be used—as it has never been used before—for the sole purpose of providing abundance for our people. This second alternative must be based on the principle that industry should serve the people, and not merely the chosen few who own industry and operate industry for private profit (pp. 14–15).

While it is perfectly proper in the political arena to assert dogmatically that, unless the opposition is overthrown, there will be chaos and dictatorship, it is quite another matter for a tax-exempt organization to publish this quackery in an educational pamphlet. The postulating of the socialism-or-dictatorship dilemma is, of course, a standard theme in the propaganda schools of the left.

Let's go to the next page, page 27.

Mr. HAYS. Let's not go to the next page too soon, because I have a question.

Mr. EARL. Go right ahead.

Mr. HAYS. You mention this Dr. Eveline M. Burns in here, and I don't know whether you are skipping her for any reason. You have put her name in. Who is she?

Mr. EARL. All I know about Dr. Burns is that she is the Director of Research, Security, Work, and Relief Policies of the National Resources Planning Board, and I mentioned her because of what she said.

Mr. HAYS. Do you know anything else about her?

Mr. EARL. No; I do not.

Mr. HAYS. Would you be surprised to know that Mrs. Hobby picked her as one of the members of her Board to make recommendations for the new social-security law which just passed the House?

Mr. EARL. I wouldn't be a bit surprised; no, sir.

Mr. HAYS. Well, I know you are hard to surprise. For the record, it might be interesting also to put in that she is the wife of Dr. Arthur F. Burns, Chairman of the President's Council of Economic Advisers. I don't mean any leftwing president, either. That doesn't surprise you, does it?

Mr. EARL. I was not aware of it.

Mr. HAYS. And you are not questioning my veracity?

Mr. EARL. No; I am not.

The CHAIRMAN. There is nothing in here characterizing Mrs. Burns in any way, as I see it. It is merely quoting from her speech.

Mr. HAYS. You editorialize about it as you please, Mr. Chairman, but I will tell you if my name were mentioned in this document any place, I would resent it. I would think it was an attempt to show I was a leftwinger.

Mr. EARL. Do you want me to skip around? I don't want to be accused of skipping something.

Mr. HAYS. I just didn't want you to skip Dr. Burns. Now you can skip from here on if you want.

Mr. KOCH. The quotation on page 24 that you mentioned. What does that come from? Fou quote from the lady and give it as page 24. And I just wanted to find out whether that is page 24 of some LID document.

Mr. EARL. That is page 24 of the document from which we are reading right now, The Third Freedom, Freedom From Want.

Mr. KOCH. And that is an LID publication?

Mr. EARL. That is an LID publication.

Mr. HAYS. When you say she admonishes her colleagues, who are you talking about, her colleagues down from Mrs. Hobby's office, or who?

Mr. EARL. She is speaking here at an LID conference, so I am talking about those people.

On page 27, item 6: Dr. I. S. Falk, Director of Research and Statistics of the Social Security Board, argued that:

> A strong system of social insurance is necessary to prevent want in the postwar period, even if full employment is achieved.

Now, again, I am not arguing with social security right now. I am just indicating here that social security is a political subject, and it is one that has current legislation before Congress, and did at that time.

Next I point out some of the subjects that were discussed.

Henrietta C. Epstein, vice president of the American Association for Social Security——

Mr. HAYS. Mr. Earl, I might ask you a question right there? In view of Congress's penchant for investigating practically anything and everything, do you think there is any subject we could discuss that woudd't have some kind of overtone or implication? If we are going to be that broad, there is no way to get away from it.

Mr. EARL. I think it is much narrower than that, because the law under which these organizations received their tax-exempt status indicated that they received that status provided that no substantial part of their activities were devoted to poliical purposes, et cetera. It is my thesis that more than a substantial part of the LID's activities have been devoted to attempts to influence legislation and political purposes.

Mr. GOODWIN (presiding). The second bell has now sounded for a quorum call.

The commitee will stand in recess subject to the call of the Chair, probably for about 15 minutes.

(Short recess.)

The CHAIRMAN. The committee will come to order, please.

You may resume, Mr. Earl.

Mr. EARL. We were speaking about the symposium held in 1943 by the league.

As to the subjects discussed: Henrietta C. Epstein, vice president of the American Association for Social Security, spoke on the subject, Health Insurance Our Next Forward Step; Dr. Arne Skaug, Director, Norwegian Government Disability Services, explained The Norwegian Crusade for Social Security; and Dr. J. Raymond Walsh, director of research and education, CIO, urged that labor "find the media and words to articulate and implement" its aim. (Dr. Walsh's address, published in the Freedom from Want pamphlet, was made before the Washington chapter of the LID on March 5, 1953.)

Then Alfred Baker Lewis, chairman of the board of the League for Industrial Democracy, continued his bit:

> To get freedom from want in the postwar world we must be clear that we cannot do so by reestablishing complete freedom of enterprise, the fifth freedom which ex-President Hoover and the National Association of Manufacturers want to add to the four freedoms (p. 53).

Mr. Lewis explained why private enterprise could no longer avert terrible depressions. He indicated that they had gotten us jammed up before, and that they just didn't have the capacity to pull us out of the hole.

> Thus the free land in the West acted as a safety valve for unemployment and depression. But by 1930 that free land was no longer available except for mountain tops and deserts. The automatic safety valve upon which we relied comfortably before World War I and which gave rise to the belief in the efficiency of rugged individualism as a cure-all for our economic ills, has gotten jammed and needs to be regulated by careful Government planning and vigorous Government action if we are to avoid an explosion of suffering and unemployment again (p. 54).

George Baldanzi, executive vice president of the Textile Workers Union of America, seemed to feel that Hitler and his Nazi henchmen had little to do with bringing on the war. Nor, presumably, were the Japanese responsible.

> Business and industry are looking for a solution to the problem of full employment within the framework of what they call free enterprise. What they mean, of course, is their old freedoms to exploit. But free enterprise is drawing its

last gasp. This very war we are fighting, and the causes of the war, are indications of the breakdown of the economy of free enterprise (p. 57).

Labor believes that special privilege will have to accept a planned economy, that the days of laissez-faire are gone with the winds of war. We believe that production will have to be geared to social need rather than to private profit (p. 57).

History has shown us that full employment is not possible under a system of free enterprise. * * * The free enterprisers are interested in profits, not people (p. 57).

Whether it is established on the basis of democracy or on the basis of monarchy or on the basis of fascism, the system of free enterprise inevitably leads to war. When they dry up at home, entrenched privilege must look for them abroad. War inevitably follows, and another war will follow this war unless the leaders of the United Nations begin to think in terms of changing the economic pattern as well as the political pattern of liberated and conquered nations (p. 58).

Participants in a roundtable discussion on social insurance and full employment included Dr. Oscar Lange, associate professor of economics of the University of Chicago; Donald S. Howard, of the research staff of the Russell Sage Foundation; Dr. Herman A. Gray, chairman of the New York State Unemployment Insurance Advisory Committee; E. J. Coil, director of the National Planning Association; Charles Abrams, a director of the National Public Housing Conference; Ellis Cowling, educational director of the Consumers' Cooperative Services of New York; and Charles C. Berkley, executive director of the New York Committee on Discrimination in Employment.

The subject, I think, is the important thing here, social insurance and full employment.

The conference also discussed another program under the heading "Mobilizing Our Forces in Behalf of the Third Freedom."

Nathaniel Minkoff of the ILGWU, who is this year's president of the LID, called for a new party:

So much for the present. The real test will come immediately after the war, when, what with sudden deflation, demobilization and shrinkage of production, as well as with the inevitable worldwide confusion, our Nation will face the grave danger of economic collapse. Only a courageous, farsighted economic policy, based on long-range social planning, can save us from disaster. It is not my purpose now to discuss what this postwar planning should consist of nor how it should be undertaken. I merely want to stress that it is not merely an economic and social question, least of all a more question of technical expertness. It is primarily a political question, for even the best program in the world must remain a mere scrap of paper unless it is implemented with political power (p. 71).

We must organize independently of old, now meaningless party affiliations into a compact and mobile force able to exert its influence where and how it will do the most good * * * (p. 72).

Above all we must be clear as to our social basis. What we want, I think, is a democratic coalition of all functional groups in the community with organized labor as its backbone and basis. I am not holding out to you any perfect models but, with all its faults, I think the American Labor Party of New York State is something of the sort we have in mind (p. 72).

He, of course, was calling for the formation of a new political party in America, and I question the legitimacy of that for an educational association.

Mr. Samuel Wolchok, president of the Retail, Wholesale, and Department Store Employees of America, CIO, also demanded political action. His address, printed in this same booklet, was made to the Washington Chapter of the LID in March 1943. The tone is scarcely academic.

There is the sharp line of cleavage as to the future of the postwar world, between the idealistic forces of the liberals on the one hand, and the blind, cruel forces of the reactionaries on the other.

The reactionaries are well organized. They have power, the press, the radio, money and ruthlessness on their side. They are well-girded for battle. They are far more interested in controlling the peace than in winning the war and their energies are solely directed to that end (p. 73).

The reactionaries in this country have no program to solve this country's ills and the ills of mankind * * * Their program can only culminate in fascism and dictatorship here, followed by revolution (p. 77).

Mr. Wolchok then adds his voice to the swelling chorus demanding political action:

The solution then lies in a third party * * * a party supported by trade unions and true farmers' unions, by welfare organizations, by civic bodies, and by other social-minded groups and committees * * * (p. 74).

He mentions further that there is already a great nucleus here for the formation of a third party. He refers to the CIO, the A. F. of L., the National Farmers unions, and then suggests that to this could be added the liberal, civic, and welfare organizations spread throughout the country.

Prof. Frank H. Underhill, professor of history, University of Toronto, Canada, pictured the advantage of having a political party to implement liberal and Socialist goals. Then he described the success of the CCF in Canada, and suggested that they have a program there but it works much better when they have a political party with which to carry out that program. He lectured his audience on the advantages of having that political party and the things that they should try to accomplish.

On page 31 of my prepared statement, following the quotation, I mentioned that Mr. Leroy E. Bowman, supervisor, Bureau of Adult Education, New York State, spoke on the subject "Educating for the Abolition of Want," and I would just summarize by saying that his speech, in his speech, he visualized a vast interlocking directorate of labor, consumer, and Government interests in control of the mighty apparatus of adult education. His theme throughout was that we must eduacte the adults in America to accept this social planning over all of our economic extremes in the country.

Next, Mr. Mark Starr, educational director of the ILGWU, and Dr. John L. Childs, professor of philosophy of education at Teachers College, and a member of the postwar planning commission of the A. F. of L., presided over a roundtable with the title "Mobilizing Our Forces, Economic, Political, Cultural, In Behalf of the New Freedom."

He suggested that all organized groups must be mobilized and used. And to quote 95 and 96, "I wish we had the outlook for a CCF in America. There is no such adequate approach available here."

Another pamphlet published by the LID is entitled "Toward a Farmer-Labor Party," and the author is Harry W. Laidler. It was printed in 1938. However, it is still on the current list of LID publications and I presume has not been repudiated by the league.

To summarize what this pamphlet calls for, I think that it would be rights to say that it calls for the formation of a political party with the labor groups and the farmers as the basis, and that only through such a coalition could they reach the goals that Mr. Laidler would have them reach.

He indicates, as I have said on the bottom of my statement, on page 32, and he is quoting here from another magazine:

> To delay the building of a new party of the masses because of the possibility or probability of the selection of a "liberal" candidate by the Democratic Party, these students of politics contend, "is to repeat the error of past years." "Similar arguments," Oswald Garrison Villard maintains, "have postponed the organization of that third party ever since 1924 * * *. Now once more, progressives are called upon to stay in the party fold. Frankly, it seems to me shortsighted reasoning."

And then he goes on to say that he would much rather they formed this new party rather than try to stay within the framework of any of the parties then in existence.

To me agitation for the formation of a new party scarcely qualifies as legitimate project of a tax-exempt organization.

Now, if we can go down to the middle of page 34, just below the middle, speaking of the Forward March of American Labor that was published by the league in a revised printing as recently as 1953. It is supposed to be a history of the American labor movement. The text, however, is embellished by a remarkable series of cartoons which, in the year 1953, strike an impartial reader as a crude effort to discredit today's business with faults that have long since been corrected.

Mr. HAYS. When were those cartoons originally published, approximately?

Mr. EARL. I mention that the pamphlet was originally published a long time ago.

Mr. HAYS. I mean the cartoons.

Mr. EARL. I don't know, sir. I would have to check that and see.

Mr. HAYS. They did just what you are doing. They went back several years and lifted up some cartoons that give a kind of a wrong impression in 1953, much as your quotations of 1932 might give.

Mr. EARL. The point is, though, that they haven't disavowed many of the things that I pointed out in yesterday's testimony concerning their aims and goals stated in the 1930's.

This pamphlet struck me as not particularly setting forth the true picture of the situation as it is now.

On April 25 and April 26, 1951, the LID held another of its annual conferences in New York. The proceedings were published in a pamphlet entitled "World Cooperation and Social Progress." The league presented the citation to Dr. Ralph J. Bunche, Director of the Trusteeship Department of the United Nations, and awarded another citation to President William Green of the A. F. of L. And it gave a John Dewey award for distinguished LID alumni to Senator Paul H. Douglas of Illinois, who "in his graduate days," according to the pamphlet, had been—

> leader of the league's chapter at Columbia University, and, since his university days, has done distinguished work in the fields of economics, civic reform, social legislation, and international peace.

Senator Douglas was not present and he accepted the award in absentia, and an address extolling the LID, sent by Senator Douglas, was read at the conference.

Now, I believe that both the gentleman from Ohio and myself would like to refer to that.

Mr. HAYS. Yes. I have some photostatic copies here that Senator Douglas made available to me from his files of the letter that he sent up. I think that we ought to just read that, and then have you tell me what is wrong with it. We will give these to the press. He says:

I want to express my heartfelt appreciation to my friends in the LID that they should have honored me with a John Dewey award for contributions to social progress. When I see the slow rate at which we advance toward the social goals of democracy, I sometimes wonder if the making of such awards should be held in abeyance until we have greater achievements to celebrate. The understandable and essential efforts to meet the military and strategic threats to free nations, in World War II, and, now again, as we face an aggressive Communist totalitarianism, have absorbed our attention rather completely. We must turn back the Communist threat of a police state and in the process social progress has, therefore, been accorded a subordinate place, and has been possible ordinarily only when it can be related to defense needs. In some areas, it has suffered serious setbacks.

Where we have made gains, however, as in housing, social security, reduction of racial discrimination in the Armed Forces, resistance to monopoly grabs, sounder fiscal plans that do not destroy essential welfare programs, and foreign economic assistance, they have come as the result of the thinking and planning and working of many persons and many groups. Your award to me, therefore, is fitting, only if today you treat me as merely one representative of that great company of persons, in public office and out, who have tried, however imperfectly, for a better society in a better world.

I want also to pay a brief tribute to the LID for the nearly half century of educational work it has done. It has undertaken research in, and analysis of, many of the basic economic problems of our times. It has stimulated students and statesmen, members and leaders of many groups, to a more thoughtful consideration of democratic objectives. It has brought a much-needed emphasis on extending democratic principles and practices into the economic and industrial phases of American life, lest the power of monopoly or of unrestrained managerial domination, challenge our political democracy and threaten freedom itself. Even when we have not agreed with all of its conclusions or recommendations, we have found the LID a valuable goad, a stimulating source of information, and a place for frank discussion of basic problems. For his writing, his research, his speaking, his editing, and countless other services, I'm sure we would all agree that our good friend Harry Laidler deserves the major credit for this record of LID achievement.

Yet to list the contributions of the past is to remind us of the great tasks that still lie ahead. I'm glad your conference has put these into the international setting in which all issues must now be resolved, for peace, as well as economic and social progress, must be won for the world if we are to enjoy them in our own country. We must recognize that freedom is about the most precious possession mankind can have and that we should determine that the State is made for man and not man for the State.

These jobs ahead are gigantic ones. To halt the pell-mell rush of inflation; to achieve a greater equality of sacrifice and of participation in our defense effort; to advance the elimination of racial and religious discrimination; to check the thrust of special interest for special privilege and power; to keep the public interest central in Government operations; to weed out graft and special privilege; to guard the civil liberties of individuals while maintaining the security of the Nation; to make what increases we are able, in low standards of living here and abroad—these aims must also be kept in view, even as we strive to keep the free world united in effective resistance to Communist aggression. It requires, as you all recognize, the fresh thinking, geared to the needs and conditions of this day, which we associate with John Dewey's approach to issues.

If this occasion can serve to evoke a rededication on the part of us all to these great aims of democracy, I shall feel well compensated for the role in which you have so kindly cast me today.

Is that an accurate reading of the letter?

Mr. EARL. That is an accurate reading.

Now, I presume that you will want to know what I find interesting in that.

Mr. HAYS. I would be interested to know what you mean by the word "interesting"?

Mr. EARL. First, I mean this: that it sounds more like a speech at the Democratic convention, or perhaps even the Republican convention, than at an educational luncheon and seminar.

Next, at the bottom of the first page, in the center, where he has this to say, speaking of the LID:

It has undertaken research in, and analysis of, many of the basic economic problems of our times. It has stimulated students and statesmen, members, and leaders of many groups, to a more thoughtful consideration of democratic objectives.

Right there, I was just wondering to myself whether or not when he speaks of "democratic objectives" he is speaking of them in the sense that the LID understands democratic objectives.

You will recall from yesterday's testimony that democratic objectives, as understood by the LID included some things we mentioned today, the nationalization of a great many of our basic industries, and——

Mr. HAYS. Senator Douglas points out that he has not agreed about all of its conclusions or recommendations.

Mr. EARL. Yes; he does that at the top of the next page, and he says:

Even when we have not agreed with all of its conclusions or recommendations—

However, I think it is probably common knowledge that he espouses a great many of their common objectives mentioned in both his second paragraph and in his next to the last one.

That is fine, and I don't quarrel with Senator Douglas' privilege or right, or anything else to espouse those.

Mr. GOODWIN. I did, however, Mr. Chairman, if I listened correctly, understand that the Senator was looking forward to that depression even then.

Mr. HAYS. What are you trying to say? Is it that he was a pretty fair prophet, or what?

We have 20,000 unemployed in my district. And I don't know what you want to call it. You can call it a depression or recession, or whatever it is. But the people are out of work. And they have a lot of names for it, and none of them very complimentary to this administration.

Mr. GOODWIN. The reports are that this year of 1954 is the most prosperous in the history of the Republic, with one exception, and that one exception was 1953.

The CHAIRMAN. I don't want you to lose your role as defender of this administration.

Mr. HAYS. Don't worry about that because I have been just about as critical of the administration as I have been in its defense. I only come to its defense when I think it needs defending from its own party. And then I feel free to criticize it any time I think it is wrong. It casts me in an independent role, one which I find seems to suit me better. Perhaps it is better than endorsing everything in either party.

The CHAIRMAN. You may proceed.

Mr. EARL. Luncheon speakers included M. J. Coldwell, member of Parliament and president of the CCF of Canada; H. L. Keenleyside, Director-General, Technical Assistance Administration, United

Nations; Paul R. Porter; and Ralph Wright, Assistant Secretary of Labor.

I think rather than read what they say, it is just more of the political platform and a demonstration of political action.

On the next page, page 36, Stanley H. Ruttenberg, director of the Department of Education and Research of the CIO, observed:

> It is not certain that this mobilization program will develop into an all-out undemocratic force, but it presents certain dangers. One of these dangers is the dominance of representatives of big business in key positions * * *

Mildred Perlman, secretary of the Student LID, called upon labor to finance the socialistic apparatus. According to the editor:

> Mrs. Perlman concluded with an appeal to labor which has been closely allied over the years with the struggle for democratic education, to build a war chest in behalf of democratic education on the campus and in the community. In so doing it will * * * help train a democratic leadership for the future.

If this is a legitimate undertaking, under the tax-exempt banners of the LID, there seems to be no valid reason why Young Republican Clubs or Young Democrat Clubs should not also solicit contributions which can be deductible from income tax returns. Tax law, in a capitalist and free enterprise society, should not show undue partiality towards those who are trying to abolish that form of economic organization.

The final session of the conference was given over to a "consideration of labor political action." In this case they were concerned with the problem of how they could give increased emphasis to their policies and their program, and how they could implement it through other parties than those that were in effect and in existence at the time.

The president of the CCF of Canada, Mr. Coldwell, gave his American Fabian friends some advice about how they could organize this. He mentioned, at the end of this statement that I have chosen from page 36, that during the last 4 or 5 years the Canadian Congress of Labor had designated the CCF as the political arm of that labor organization and that the CCF had a growing support.

Mr. Robert Bendiner, former managing editor of The Nation, argued that, on page 38—

> labor should aim at political action that would not be confined to a narrow program of wages and hours, but would be directed to the achievement of public welfare in the broadest sense. Labor should show more and more independence than has been hitherto the case.

Now, the LID's latest annual conference, held April 9, 10, and 11, in New York—since I wrote this I have received a copy of the LID news bulletin covering this conference. The news bulletin was published in June of 1954 and reports this conference.

It indicates that George Meany, president of the A. F. of L., and Senator Wayne Morse, of Oregon, were honored by the LID, and that this 49th annual conference discussed domestic and foreign policy and made certain awards.

In going through this, they had a great number of people there, of course, and a lot of important people. I think that if anyone were to take this and take a look at it, then go back to 1952, to the Democratic National Convention, or the Republican National Conventions in Chicago, and get a report of some of the things that happened there, that

this would turn out to be a minor political convention, so to speak, because of the themes that they discussed.

Now, the theme of the conference's main panel was entitled "How Free Is Free Enterprise." And various speakers took the capitalist system to task and indicated that they wanted more Government intervention in a great many fields.

I am going to submit this to the committee along with the other items that I have already submitted.

Incidentally, the reference I make here to Mr. Mark Starr's press release is included in here, of course, after it had happened, and there would be no need to refer to that.

They indicate that the pamphlet covering this session will not be available until fall.

Mr. GOODWIN. What is that?

Mr. EARL. Will not be available in print until fall, that is the report of the various speeches.

In conclusion, Mr. Chairman and members of the committee, let me say that in this presentation I do not quarrel with the right of these many people in the LID, and all of those who have been its recipients of awards or have spoken to it, and I don't quarrel with their people, to say and write the things which we have discussed, though I disagree with many of the things which they advocate.

My thesis is this: If the LID is to continue to fill the air with propaganda concerning socialism; if it is to continue stumping for certain legislative programs; and if it is to continue to malign the free enterprise system under which we operate—then I believe that it should be made to do so with taxed dollars, just as the Democrats and the Republicans are made to campaign with taxed dollars.

Now, rather than burden the text of my statement with further excerpts from a great many other LID pamphlets, I have taken the liberty of preparing a list of those pamphlets in which fruitful reading might be had.

I have listed them on the last page of my statement. I have them here and I would be glad to offer them to the committee for whatever help they may be to the committee.

That concludes my testimony.

The CHAIRMAN. Without objection, the pamphlets will be accepted but not all are to be printed with the record. Mr. Earl's statement will be included in full.

Mr. EARL. That is right.

Mr. HAYS. Mr. Chairman, before we go any further, I want to correct the record on one statement that I made today. I do so because I don't like to let anything stand that I have said that is wrong when I find out it is wrong and also because I don't want to be put in the position of having our record make anyone seem an adulteress or bigamist.

Going back to Dr. Eveline Burns, I find that in checking her biography in Who's Who that she is the wife of an economist. He is not Dr. Arthur F. Burns. He is Dr. Arthur R. Burns. And in checking the biography of Dr. Arthur R. Burns in Who's Who there are three Dr. Arthur R. Burns. And my staff got the wrong Dr. Burns. I checked his biography and so I had a lady married to someone she is not married to. She is not the wife of the President's economist but the wife of another economist whose middle initial is the only difference in their names. And in saying that let me say that I have checked

further and she was on Mrs. Hobby's committee. But she is not the wife of the President's economist.

Mr. EARL. I wasn't sure of that myself. I had here that she wasn't the wife, but I wasn't certain, and so I didn't know.

The CHAIRMAN. Are there any further questions? Do you have any questions?

Mr. WORMSER. I have none.

The CHAIRMAN. Are there any questions by members of the committee?

Mr. HAYS. I have a statement. And if Mr. Earl cares to comment on it, I am sure it would be all right with me. I might say, Mr. Earl, I have more or less patiently listened to you and I have just heard you deliver a valedictorian in which you attempted to summarize what you allege to have proved by your testimony: To say that your thesis is that the LID is to continue to fill the air with propaganda concerning socialism; and continues its stumping for certain legislative programs; and if it is to continue to malign the free enterprise system under which we operate, then you believe that it should be made to do so with taxed dollars.

I would like to analyze now what you have testified about. In the first place, I read yesterday excerpts to you from the testimony of Commissioner Coleman Andrews of the Bureau of Internal Revenue and Mr. Sugarman, his principal assistant, who is charged with the responsibility of these tax-free foundations. And by the way I might just put in there that we have more or less agreed this isn't a foundation. But we are investigating it anyway. It is clear from that testimony the following: First, if one of these foundations receiving tax exemption is found to be subversive, then upon that finding the tax exemption can be removed.

Now we know that this organization, the League for Industrial Democracy was challenged in 1931 in the courts, and I am just trying to bring out the facts, and not to defend this organization, because many of the things, that it apparently espouses, I don't favor. It was challenged in the courts as to its tax-exempt status. And in that case, although the law has been changed, that case still stands and it hasn't been challenged again, and so that that still is part of the law——

Mr. EARL. I would like to see it challenged today. But go ahead.

Mr. HAYS. Which is reported in the Federal Reports of the Circuit Court of Appeals, 2d Circuit of New York, following the argument that you made here, found that the contrary as follows—and I am quoting from page 812 of the 48 Federal Second:

> The fact that its aims—

meaning the LID—

> the fact that its aims may or may not resemble that of a political party does not of itself remove it from the category of an association engaged in educational work.

Now understand, I am not a lawyer; nevertheless, I recall from the testimony of the people from the Bureau of Internal Revenue that this law was changed in 1934. And as I said, but it in no way affected the validity of the ruling of the court that I have just read.

So it is perfectly clear that so far as the Bureau of Internal Revenue is concerned this organization, the League for Industrial Democracy, is not subversive. Otherwise, we have a right to assume that, with the

vigilance of the Internal Revenue, the tax-exempt status of this organization would have long since been denied.

It is further clear that its program in no way has been found to be one affecting legislation in the Congress or else, under the terms of the decision I have read you, the tax-exempt status would have been removed.

Now the third point that we get from the testimony of the people of the Internal Revenue is that, if such organizations are neither subversive nor have they invaded the field of legislation so as to deny their status as educational foundations, then if their advocacy is either to the left or to the right their status is left untouched as it properly should be under any constitutional concept of freedom of speech, freedom of assembly, and propagation of ideas.

Let me summarize what I have told you. Under the law establishing the tax exemption of LID, the regulations of the Bureau of Internal Revenue and the decisions of the court concerning this specific association, it has in no way violated the provisions of either the law nor the regulations and is in all respects entitled to the tax exemption which it now receives. And I will remind you, further, that the people from the Internal Revenue we questioned about this stated unequivocally that they did not want to see the law changed, and stated that in answer to a question by Mr. Goodwin, so as to put them in the position of being censors of the authority or actions of the foundations in this category.

The only thing they were interested in was to prevent tax dollars from going for the purposes of subversion and evasion schemes to be set up under the guise of foundations.

Now, Mr. Earl, I would like to challenge you on one point, and this has been a summary so far. You have taken quite a bit of time to pick out those quotations from the literature of this organization and people who have spoken or written under its auspices to lead this committee to believe that either, one, this association is subversive, which it is not, or that it has gone into the field of legislation under the field of organizing a political party.

I have not had the opportunity of reading all of the literature that has come out of this organization. But I feel that, if it were put into the record, it might well log water down and might miss some of the things you have read. But I am only taking the record you have made.

And now I ask you to show me one iota of proof that the LID at any time has taken legislative action, created a political party, or done anything more than to express its belief in the economic and social aims which they think can be best achieved by the political route.

I admit they have done that. If you cannot establish these facts, I think that your whole summary argument falls. Because it is clear from the law and the regulations of the Internal Revenue and the decisions that the tax-exempt status of this organization in no way can be taken from it simply because it advocates that its ideas have been made through persuasion to become the law of the land.

I hope to God the day will never come when anyone challenges the right freely of organizations and people to do that. Let me recall to you that just prior to our entry into World War II an organization known as America First was established under the sponsorship of Colonel McCormick, General Wood, and many others, which organi-

zation violently opposed our entry into the war against Germany. You may recall that one of the chief spokesmen of that organization was then Col. Charles E. Lindbergh, and I am sure that there must be many Americans today who look back with shame upon the derision they heaped upon that great man's head because his ideas did not happen to conform to theirs.

Thank goodness the Government today has taken steps to remove the onus which was placed upon him during the war, simply because he disagreed with the majority.

Now my recollection is that the America Firsters started as a tax-exempt organization. I want you to understand from me clearly that I am perfectly consistent in my belief that such organizations as that, and I understand the organization is being revived, should receive the same tax-free status as the League for Industrial Democracy.

I only make this statement because I believe in openhandedness and I don't think the Government should favor or take favors away, through its tax-exemption laws, from any organization on either side of the political spectrum so long as that organization is not subversive and does not advocate the violent overthrow of our Government.

The CHAIRMAN. Are there any further questions?

We appreciate very greatly the efforts which you have made to present this presentation. The committee will evaluate in due course your presentation, together with the pamphlets which have been submitted.

In order that the record may be complete, the last pages which you did not read will be inserted here in the record.

(The material referred to follows:)

To people who use one tax-exempt organization for politics and propaganda, there is apparently nothing incongruous in suggesting that "welfare organizations" support a new party.

"There already exists in this country a powerful nucleus for such a third party. One does not need too vivid an imagination to visualize the strength behind a third party backed up by the might of the Congress of Industrial Organizations, the American Federation of Labor, the Railroad Brotherhoods, and the National Farmers Union. Add to this the many liberal, civic, and welfare organizations that are spread throughout the land and we have a force powerful and strong enough to decide elections in every county, State, and even in the Nation" (p. 75).

In defining the third party, Mr. Wolchok again emphasizes the necessity of international collaboration with fellow Socialists:

"The third party's program must be international as well as national in scope. Its program must provide for collaboration with the liberals of other nations * * * Its program must strive for the liberation of those countries now subject to imperialism, as well as of those conquered countries now under the Nazi, the Fascist, and the Japanese yoke. Its program must provide for assistance to the downtrodden of all nations. It must promise succor to the forgotten man of every land" (p. 76).

Prof. Frank H. Underhill, professor of history, University of Toronto, pictured the advantage of having a political party to implement liberal and Socialist goals. He described the success of the Cooperative Commonwealth Federation (Canada's Fabian party):

"In Canada we have gone further toward building up an effective political party of the left. In 1942 the CCF (Cooperative Commonwealth Federation) celebrated its 10th birthday. In its early years it seemed a rather sickly child, but during the past few years it has been growing rapidly. There are several points about the structure of the CCF which are worth nothing. In the first place it is a definitely Socialist Party, speaking the language of Fabian rather than of Marxian socialism, with a program based on the Canadian situation presented in terms which the Canadian public can understand" (p. 80).

Professor Underhill then explained the facts of political life of his American hosts:

"The value of having an organized Labor Party is shown again today in the different receptions given in Britain and the United States to new schemes for complete social security. The Beveridge report in Britain has aroused widespread discussion among all political groups; the report of the National Resources Planning Board has been received in a conspiracy of silence in this country * * *" (p. 79).

"If there is a general reaction toward the right in the United States in the next few years, the forces of the left have no reserve with which to organize a counterattack. In fact, the left has no army of its own at all, though it seems to have a good supply of willing generals. In Canada the army is in existence and has learnt by 10 years experience how to overcome its own internal differences and to make an effective fighting force out of itself * * *" (p. 80).

Mr. Leroy E. Bowman, supervisor, Bureau of Adult Education, New York State, spoke on the subject, "Educating for the Abolition of Want." So far, according to Mr. Bowman, this "idea has not been taught in the schools," partly because "economically successful persons" have accepted the fact that poverty (for others) is "an ineradicable part of existence."

"* * * the necessities of business operations under present circumstances and the understandable reluctance to see change occur have led to the conclusion by them that want is inevitable. So those who suffer want have been wholly engaged in coping with it, not in eliminating it. And those not suffering from want have had resistance to the idea that it could be done away with" (p. 87).

From Mr. Bowman's point of view, it would seem that control over consumption, the planning of production, and the use of government to achieve economic welfare for the masses are not "ideological" notions, but part of the external structure of the universe. (See pp. 88 and 89.) Mr. Bowman visualized a vast interlocking directorate of labor, consumer, and government interests in control of a mighty apparatus of adult education (p. 89).

Mr. Mark Starr, educational director of the ILGWU, and Dr. John L. Childs, professor of philosophy of education, Teachers College, Columbia University, and a member of the postwar planning commission of the A. F. of L., presided over a round-table discussion on Mobilizing Our Forces—Economic, Political, Cultural—in Behalf of the New Freedom. Said Dr. Childs:

"1. Freedom from want is related to other objectives. We cannot progress far on that front unless we progress also on other fronts of our domestic economy. * * *

"3. We cannot make progress unless we can create a political situation which will stop attacking liberals in Government, and the baiting of labor. * * * All organized groups must be mobilized and used. I wish we had the outlook for a CCF in America. There is no such adequate approach available here. * * *" (pp. 95–96).

One of the most extraordinary documents published by the LID is Toward a Farmer-Labor Party by Harry W. Laidler. Although the booklet was first distributed in 1938, it is on the current list of the LID pamphlets and cannot, therefore be repudiated by the league. Excerpts which demonstrate the political and propaganda nature of this work follow:

"The reasons for these developments toward a party of workers of hand and brain on the farms, in the factories, mines, shops, and offices are not hard to find. * * * They have witnessed the two-party judiciary handing down decisions which well-nigh paralyzed labor's efforts to organize. They have observed the officers of the law breaking up their meetings and their picket lines and denying them their elementary constitutional rights. * * * And they have witnessed America, under the political control of the parties of the propertied interests, subjecting the masses of its people to widespread insecurity, poverty, and the threat of war, at a time when the natural resources, machinery, and trained labor of the land could, if fully utilized for the common good, insure a life of abundance and security to all" (p. 5).

Dr. Laidler equates genuine labor and Socialist movements with the dictatorship of the criminal elite in the Kremlin who, by the testimony of a U. N. Commission on Slave Labor, are the most savage exploiters of labor since the Pharaohs of ancient Egypt. It is fair to inquire why such a scholarly institution as the LID if is no longer entertains its pro-Russian view, has not withdrawn this pamphlet and prepared another.

"American labor and farming groups in this country are on the move politically as well as industrially. * * * Representatives of labor are today the premiers in the three Scandinavian countries. * * * Labor and Socialist Parties

now constitute the largest single parties in France, Belgium, Switzerland, and Finland. In Great Britain, the British Labor Party is 'His Majesty's chief opposition.' * * * In far-off New Zealand, labor in 1935 captured 53 percent of the 80 seats in the New Zealand House of Representatives. * * * In Russia, the Communists Party dominates. * * *" (p. 3).

The reforms of the New Deal were not radical enough to suit Dr. Laidler, or those for whom he acts as spokesman:

"There are others who contend that millions of workers in the city and on the farm are rapidly coming to the conclusion that New Deal democracy offers no solution for unemployment or for any of the other grave evils of our economic life but, on the other hand, that it is heading this country toward another war" (p. 6).

Dr. Laidler quotes an article from the Nation which urges no delay in building a "new party of the masses."

"To delay the building of a new party of the masses because of the possibility or probability of the selection of a 'liberal' candidate by the Democratic Party, these students of politics contend, 'is to repeat the error of past years.' 'Similar arguments,' Oswald Garrison Villard maintains, 'have postponed the organization of that third party ever since 1924. * * * Now once more progressives are called upon to stay in the party fold. Frankly, it seems to me shortsighted reasoning. * * * No one can foretell where Franklin Roosevelt will stand in the next 3 years. * * * For one thing the President is steadily undermining democracy by encouraging the growth of militarism in the United States. Wherever you find large armies and navies, there you find enemies of democracy. * * *'" (p. 6).

Agitation for the formation of a new party scarcely qualifies as a legitimate project of a tax-exempt foundation. And one may also wonder if the Communist conspiracy should be described as a "working class political movement," as in this paragraph:

"Other working class political movements organized during the present century were the Communist Party, formed in 1919, following a split with the Socialist Party, and a small and temporary Farmer Labor Party, in 1920. * * * Socialists and Communists are still actively at work on the national field, although the combined votes of the Presidential candidates of minority parties in 1936 constituted only from 2 percent to 3 percent of the total.

"The next farmer-labor alinement on the political field of the future, it is hoped, will not only wrest concessions from the old parties in power but will supplant the parties of business with the party of the masses" (pp. 7, 8).

Dr. Laidler offers practical suggestions for political action:

"Everyone interested in the development of a Labor, Farmer-Labor, Socialist, or other political party representing the interest of the masses in his State, should make a survey of present laws and immediately begin educational and agitational work for improvement" (p. 9).

"A second problem confronting the organizers of a new political party is how to insure that the party and its elected officials shall be democratically controlled by those economic groups that obtain their living through their labor of hand or brain and not through ownership of the means of production and distribution" (p. 9).

"Whatever the form chosen for representing the will of the masses in these organizations, the particular organizational structure adopted has usually been developed with the view of keeping control in the hands of the working class and farmer membership or leadership and of preventing the party from becoming a neublous 'liberal or 'progressive' organization with no class basis or from being employed as an instrument to keep in power a few political leaders" (p. 11).

Dr. Laidler discusses tactical procedures which he recommends to Socialist politicians:

"* * * frequently, after helping to elevate an old party candidate, through labor's endorsement, to a high political position, the Farmer-Labor Party finds that it has 'built up' a political figure who, as a representative of a capitalist party in subsequent elections, might be in a position greatly to retard the development of a party of the masses. The Farmer-Labor Party, by such political trading, thus tends to perpetuate the 'good-man' concept in politics.

"Moreover, when a Farmer-Labor Party throws its support to a capitalist party candidate, it is difficult for it in the same campaign to put forward with vigor the main arguments for the existence of, and the imperative need for, a party of labor of hand and brain" (pp. 13, 14).

"An even more important problem facing the new political alinement is that of bringing about a genuine understanding between city and agricultural producers of hand and brain. * * * Both are exploited by those who live primarily by owning and not by working" (p. 14).

The executive director of the LID warns Socialists of the dangers of forming a coalition with the petit bourgeois:

"A problem facing most Farmer-Labor parties, likewise, is the place of the small-business man within its ranks. Some businessmen join with labor political groups because they are convinced that there is no security under a competitive system, and that they must unite with the masses to inaugurate a planned society. * * * Others, on the other hand, ally themselves with labor for the purpose of inducing labor to join with them in a general 'trust-busting' campaign, a campaign against big business, in behalf of the restoration of small industry. Intelligent labor, however, realizes that all such efforts in the past have led to futility. * * * Not in trust busting, but in community ownership lies labor's salvation. Control of labor party policy by the small-merchant class anxious to turn back the weels of industry leads to nothing but confusion. Merchant groups animated with this purpose constitute a danger to any healthy growth of labor or farmer-labor partyism" (p. 15).

In conclusion, Dr. Laidler says:

"At the present moment, the divisions in the ranks of labor and the belief that labor should support the Rooseveltian New Deal against big-business attacks have somewhat retarded developments on a national scale * * *.

"* * * only a fundamental change in property relations will bring security, economic justice, and a high living standard to the working masses" (pp. 53, 54).

All in all, Toward a Farmer-Labor Party is a field manual for applied Socialist political action.

The Forward March of American Labor was published by the LID in a revised printing as recently as 1953. It is supposed to be a history of the American labor movement. The text, however, is embellished by a remarkable series of cartoons which, in the year 1953 strike an impartial reader as a crude effort to discredit today's business with faults long siuce corrected. I refer the committee to the pamphlet for both its text and the cartoons mentioned.

On April 25–26, 1951, the LID held another of its annual conferences at the Hotel Commodore. The proceedings were published in a pamphlet entitled "World Cooperation and Social Progress." In addition to discussion of international cooperation and how to curb "antidemocratic forces at home," there was the usual technical consideration of how to produce more effective political action.

The league presented a citation to Dr. Ralph J. Bunche, Director of the Trusteeship Department of the United Nations. It awarded another citation to President William Green, of the American Federation of Labor. It gave a John Dewey award for distinguished LID alumni to Senator Paul H. Douglas, of Illinois, who "in his graduate days," had been "leader of the league's chapter at Columbia University, and, since his university days, has done distinguished work in the fields of economics, civic reform, social legislation, and international peace" (pp. 3, 4). Senator Douglas accepted in absentia, and an address extolling the LID, sent by Senator Douglas, was read at the conference. I refer the committee to that address, found on pages 12 and 13, for some interesting reading.

Luncheon speakers included M. J. Coldwell, M. P., president of the CCF of Canada; H. L. Keenleyside, Director General, Technical Assistance Administration, United Nations; Paul R. Porter, Assistant Director, Economic Cooperation Administration; and Ralph Wright, Assistant Secretary of Labor. Following are excerpts:

From Dr. Bunche: "Unfortunately, there are those who attempt to take advantage of the public anxiety caused by the East-West conflict and the worldwide ideological struggle between democracy and communism, to stifle progressive thought and honest criticism, to circumscribe our traditional freedom, and to restrict the enjoyment of our civil rights. We must be ever vigilant against internal as well as external threats to our traditional liberties" (p. 7).

Clarence Senior presided over a panel discussion on Counteracting Antidemocratic Forces in America. President A. J. Hayes, of the International Association of Machinists, lectured his associates on the need for a more aggressive psychological warfare program on the domestic front:

"Radio and television are today unduly controlled by big business. The voice of liberals must be heard and strengthened. When one considers the 15 million trade unionists and their families, labor can be far more influential in the field of public opinion than it now is. One way of increasing that effectiveness is through the publication of a labor daily, especially 'for the group of active leaders who make all national trade union organizations tick.' There are thousands of articulate men and women in this group. Its great need is for rapid, up-to-date information to help them understand the quickly shifting scene. A labor newspaper would not be a substitute for a regular daily press, but a supplement to it" (p. 30).

President Hayes argued that the mobilization defense program was a "glaring example of the undemocratic process":

"I think that you can find some of the antidemocratic forces in America in the atmosphere which set up that program. The security measures, which, in some rational form, are necessary in this peculiar situation, have given the enemies of all progressive measures an ideal opportunity to block and hamstring all progress, and so to smear and attack all progressives that decent people are tending to withdraw from the central liberal cause. As they do so, the victory of the evil forces becomes more sure" (p. 30).

Stanley H. Ruttenberg, director of the department of education and research of the CIO agreed with Hayes. He observed:

"It is not certain that this mobilization program will develop into an all-out undemocratic force, but it presents certain dangers. One of these dangers is the dominance of representatives of big business in key positions * * *" (p. 31).

Mildred Perlman, secretary of the student LID, frankly called upon labor to finance the socialistic apparatus on the campuses. According to the editor, "Mrs. Perlman concluded with an appeal to labor which has been closely allied over the years with the struggle for democratic education, to build a war chest in behalf of democratic education on the campus and in the community. In so doing it will * * * help train a democratic leadership for the future" (p. 33).

If this is a legitimate undertaking, under the tax-exempt banners of the militant LID, there seems to be no valid reason why Young Republican Clubs or Young Democrat Clubs should not also solicit contributions which can be deductible from income tax returns. Tax law, in a capitalist and free enterprise society, should not show undue partiality toward those who are trying to abolish that form of economic organization.

The final session of the conference was given over to a "consideration of labor political action," with Murray Baron in the chairman's seat. The first speaker was Tilford E. Dudley, assistant director of the political action committee of the CIO, who "urged more effective labor political education and increased labor activity in politics" including consideration of a new party (p. 33).

Gus Tyler, director of the political department, ILGWU, A. F. of L., declared that labor should "give increased emphasis to educating the rank and file on political issues, to more effective fund raising, to the registration of voters and to the directing of votes along proper channels. This series of steps, he believed, might lay the foundation for statewide 'third parties', and 'accelerate party realinement and party responsibility.'"

The president of the Cooperative Commonwealth Federation of Canada ("a farmer-labor party with a democratic socialist program"), Mr. M. J. Coldwell, gave his American Fabian friends some practical advice. The editor summarized:

"Mr. Coldwell declared that the remarks of the previous speakers reminded him of political discussions he used to hear in Great Britain in 1906.

"No matter how good the men we elected in Britain in 1906 on the ticket of the Conservative and Liberal Parties, we found that their programs were inevitably controlled by those who appointed the machines. Consequently, in Great Britain and Canada, and, indeed, in most of the countries where we have the same kind of parliamentary institutions, labor and progressive elements were forced to organize their own political movements. He declared that, in Canada, the Canadian Congress of Labor, a counterpart of the CIO, had, during the last 4 or 5 years, designated the CCF as the political arm of that labor organization and that the CCF had a growing support" (p. 36).

Mr. Coldwell then revealed the international linkage of the Socialist movement.

"This afternoon I want to go outside of my own country and outside of the United States, and to say to this group of American Progressives that we are

associated together in a group of Socialist parties which have been meeting continually ever since the war ended. The representatives of these parties are now preparing a modern manifesto of Socialist principles with a view of establishing a common basis of thought and of assisting the backward people of the world in organizing for similar objectives" (p. 37).

Robert Bendiner, former managing editor of the Nation, argued that "labor should aim at political action that would not be confined to a narrow program of wages and hours, but would be directed to the achievement of public welfare in the broadest sense. Labor should show more and more independence than has been hitherto the case" (p. 38).

The LID held its latest annual conference April 10, 11, 1954, at the Hotel Commodore in New York, according to a press release, dated April 9, 1934, one of the sessions at the conference was to deal with the subject How Free Is Free Enterprise? Mr. Mark Starr, educational director of the ILGWU, and a member of the LID, was to lead the discussion. According to the release, Mr. Starr had this to say:

"On the other hand, those believing in more collectivism must work out ways and means of attaining planning plus the Bill of Rights * * *"

In conclusion, let me say that in this presentation I do not quarrel with the right of these many people in the LID to say and write the things which we have discussed, though I disagree with many of the things which they advocate. My thesis is this: If the LID is to continue to fill the air with propaganda concerning socialism; if it is to continue stumping for certain legislative programs; and if it is to continue to malign the free-enterprise system under which we operate—then I believe that it should be made to do so with taxed dollars, just as the Democrats and the Republicans are made to campaign with taxed dollars.

Rather than burden the text of my statement with further excerpts from a great many other similar LID pamphlets, Mr. Chairman, I have taken the liberty of preparing a list of those other pamphlets in which fruitful reading might be had.

Other LID publications

Socialism in the United States, by Harry W. Laidler, 1952
A Program for Labor and Progressives, symposium edited by Harry W. Laidler, 1946
The Atomic Age, by Aaron Levenstein
Canadian Progressives on the March, by M. J. Coldwell, 1945
Recent Trends in British Trade Unionism, by Noel Barou, 1945
40 Years of Education, symposium edited by Harry W. Laidler, 1945
What Price Telephones, by Norman Perelamn, 1941
Labor Parties of Latin America, by Robert Alexander, 1942
British Labor, by Harry W. Laidler
The Road Ahead, a Primer of Capitalism and Socialism, by Harry W. Laidler, 1950
America's Struggle for Electric Power, by John Bauer, 1935
Toward Independent Labor Politics in Britain, by Edward M. Cohen, 1948
Democratic Socialism, by Norman Thomas, 1953
National Health Insurance, by Seymour E. Harris, 1953
World Labor Today, by Robert J. Alexander, 1952
British Labor on Reconstruction in War and Peace
Public Debt and Taxation in the Postwar World, by William Withers, 1945
Labor Government at Work, by Harry W. Laidler, 1948
Canadians Find Security With Freedom, Thomas C. Douglas, 1949
A Housing Program for America, by Charles Abrams
Our Changing Industrial Incentives, by Harry W. Laidler, 1949

The CHAIRMAN. Thank you very kindly indeed.

Mr. EARL. May I now be excused from the subpena, sir?

The CHAIRMAN. Oh, yes; you are excused.

The committee will meet at 2 o'clock this afternoon in this same room.

(Thereupon, at 12 noon, the special committee recessed, to reconvene at 2 p. m., this day.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m.)

The CHAIRMAN. The committee will come to order.

Who is your first witness, Mr. Koch?

Mr. KOCH. Mr. Pendleton Herring, the president of the Social Science Research Council; and the gentleman on his right is Mr. Paul Webbink, the vice president; and the gentleman on his left is Mr. Timothy Pfeiffer, counsel for the association.

The CHAIRMAN. We have had the policy of swearing all witnesses.

Do you solemnly swear that the testimony you give in this matter shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HERRING. I do.

Mr. KOCH. I believe Mr. Herring would like to read a statement which he has prepared, and which has been distributed among the committee.

Is that right, Mr. Herring?

TESTIMONY OF PENDLETON HERRING, PRESIDENT, SOCIAL SCIENCE RESEARCH COUNCIL, ACCOMPANIED BY PAUL WEBBINK, VICE PRESIDENT, SOCIAL SCIENCE RESEARCH COUNCIL, AND TIMOTHY PFEIFFER, ATTORNEY, NEW YORK CITY

Mr. HERRING. Yes.

The CHAIRMAN. You may proceed in your own way, and unless someone is moved to do otherwise we will permit you to make your presentation and then be questioned.

Mr. HERRING. Thank you, Mr. Chairman.

Mr. HAYS. I think it might be well, in conformity with the procedure we have had, if Dr. Herring might, unless counsel wants to ask him some questions, just give us his general background, and so on, which would keep the thing in conformity with the testimony of the previous witnesses.

Mr. HERRING. Mr. Chairman, I would like first to express my appreciation of the opportunity of being here today. A good deal has been placed before the committee that I find some difficulty with.

Mr. WORMSER. I think Mr. Hays made a good suggestion. You might just first qualify yourself with biographical data.

Mr. HERRING. I will go to that immediately, then.

My name is Pendleton Herring. I am the president of the Social Science Research Council, with an office in New York City.

As I started to say, I feel that it might be helpful to the committee if I placed before you a few facts about my previous experience, since I want to be as helpful to you as I possibly can and try to speak directly against the background of my own experience and observation in these fields.

I was born in Baltimore, attended the public schools there, attended Johns Hopkins University, got my A. B. in 1925 and my Ph. D. in 1928.

It might possibly be of interest to the committee if I said that during my college years I went off as a merchant seaman and worked my way to various parts of the world. And I mention that here, because at that rather early stage I got the impression that the world

was a pretty big place and there were a good many different kinds of people in it. I also did some newspaper work for the Baltimore Sun paper. And then I went off to Harvard in 1928 and taught there until 1946, when I went with the Carnegie Corp., from 1946 to 1948, when I took over my present responsibilities with the council.

During those years I wrote a number of books, not quite as many as Mr. Wormser, but a number; and I also served as a consultant for various governmental agencies, the Air Force, the Army——

The CHAIRMAN. What were the titles of some of your books?

Mr. HERRING. Well, my doctoral dissertation, Mr. Chairman, was on group representation before Congress, and I wrote a book a little later on entitled "Public Administration and the Public Interest." That was a book that took me to the other end of town, and I visited a good many administrative agencies. A little later on, I wrote a book entitled "Presidential Leadership," on the relations of the Chief Executive and Congress. I found that rather a complex and fascinating subject. And I wrote a book in this instance considerably, shall I say, in the empirical vein, on our Federal commissioners. I just wanted to know who they were and where they got their education and what their previous experience had been, and I wrote that up in a little book.

And I also wrote a book on the impact of war, that developed the idea that a democratic government, as of this country, has proved its capacity in the past to fight for its principles, and that our system, with its faults, that are as dear to us as other aspects, is yet able to face up to danger when the challenge comes. That book was written on the eve of the last war.

Well, don't let me go on this way. It is a subject I like to talk about.

Mr. WORMSER. Mr. Herring, weren't you too modest about your teaching career? Will you tell us something more about that?

Mr. HERRING. I was in the department of government. In Harvard we call it political science-government. I was in the department of govenment there. And in 1936, M. Littauer, whom some of the members of the committee may recall, a prominent Member of the Congress for many years, established the Littauer Center of Public Administration. I was the secretary of that school during its first 10 years, and during those 10 years we faced right up to the problem, How do you train them for the public service? We found that was a very complicated problem. There were no easy pat answers. But that school was started by Mr. Littauer and has turned out a number of people who are serving their country in various governmental posts.

Is that adequate on that?

Mr. WORMSER. I thought you had professorial status.

Mr. HERRING. That is right. I was a member of the faculty.

The CHAIRMAN. That is very good. Thank you very much.

Mr. HERRING. Now, what I would like to do, Mr. Chairman, if you will permit me, is read this introductory statement to the committee, and then I will say a word or two about other documents, and so forth.

The CHAIRMAN. We would be very happy to have you do so.

Mr. HERRING. In this introductory statement to the committee, I hope that I may have the opportunity to present my views concerning the general thesis that the staff of the committee and other supporting

witnesses have developed. In the light of my own experience, I would also like to comment briefly on social scientists and their ways of working. But first, may I explore with the committee what common ground we all share in the problems under investigation.

In the investigation, thus far, most of the basic questions raised are within the traditional discourse and debate on public policy. Time and again, in the past, attacks have been leveled at wealth and bigness; debates on such matters are almost traditional. In this present instance, there is, to be sure, a modern twist to suit the times: Big foundations are the target rather than big business. We meet again the recurrent problem of how far to extend Federal regulation. In view of the references to collectivism, I am sure that we share a feeling of caution concerning governmental intervention and control over education and research. However, it is certainly in the public interest to give thoughtful consideration to such matters and also to whatever attitudes may affect the course of foreign policy. All would agree these are proper topics for public discussion, particularly if these broad matters can be reduced to specific terms.

Hence, I hope you will not feel me unduly critical if, at the very outset, I call attention to one disturbing aspect of this investigation that is rather vaguely sketched in Mr. Dodd's opening statement and referred to by other witnesses in indirect and somewhat baffling language. In effect, the committee has been presented with an effort on the part of their staff and supporting witnesses to rewrite American history and to explain what has happened in the United States since the turn of the century in terms of a conspiracy.

To assert that a revolution has occurred without violence and with the full consent of an overwhelming majority of the electorate, and to imply that peaceful change overwhelmingly supported by the voters of the country is the result of a conspiracy, would strike us as a more outrageous error if it were not such a fantastic misreading of what we have all witnessed and experienced.

To imply that an interlock of individuals unknown to the American public is responsible for basic changes in our national life over the last 50 years, is to belie the responsible statesmanship of the Republic, the lawmaking authority of the Congress, and the good sense of the American people. The whole tenor of the ambiguous charges set forth by the staff strike at the very integrity of our system of self-government. These allegations suggest that the American people are dupes and that our elected officials are puppets. To underrate the valiant and thoughtful response of the American people and their Government to two world wars and a great depression, and to imply that the legislative enactments and governmental policies worked out through the process of democratic self-government is the result of a conspiracy operating through American education, is not only a travesty of history but a travesty of the very principles by which we live as a free Nation. This line of innuendo I am confident must be uncongenial to the fundamental principles of all the members of this committee. As experienced lawmakers, you know how public policy emerges through established constitutional forms, and the interplay of politics, and I know that no committee of the Congress will countenance unmaking the facts of history to suit some special purpose.

Hence, the question is promoted as to why such a travesty of American principles and politics is presented at this time. I think the thesis

being developed by the staff is better understood as symptomatic of a troubled state of mind on the part of a few persons than as a logical statement to be refuted literally.

The committee has been reviewing developments in education and the intellectual life of the country, since the turn of the century, and I think we can all agree that during these decades changes of great moment to this Nation have taken place. None of us, of course, can be opposed to change as such. Life is constantly changing. But there are important questions concerning the direction of change, of the forces that may affect change, and what can be done by way of public policy to direct change in the public interest. This latter responsibility is essentially the responsibility of Government, particularly of the Congress, and I would not presume to comment on these matters. It seems to me, however, that some of the disquietude and worries of previous witnesses may be taken as symptoms that may direct constructive thought to underlying problems of general common concern. I can identify two.

The first is the spectacular advance in science and a great increase in educational opportunities throughout the country. The full impact of a great increase in new knowledge, and its dissemination throughout all our society, creates a dynamic force that none of us can fully understand. No nation that I know of has advanced, disseminated, and applied so much knowledge so widely and so rapidly as has the United States since the turn of the century. This has inescapably affected traditional attitudes and ways of doing things. It raises questions of interest to the Congress, to industry, labor unions, churches, and other organizations, as well as to educational institutions. How can progress in knowledge both of natural and human affairs be absorbed, digested, and utilized so as best to advance the general welfare?

There are many, many particular questions that can be brought under this broad one. I gather that this committee is particularly concerned with whether or not certain particular viewpoints have had an undue importance upon our intellectual life. Have we become the victim of special pleaders, advancing their special "isms"? For example, have internationalism, collectivism, or socialism, as bodies of thought, exercised undue weight? I know of no way, in entirely objective terms, of weighing or measuring such influences. I know of no reliable method of analysis for establishing cause and effect relationships between such ideas and what has happened in our recent history. For my part, I find the best safeguard in the maintenance of a free market place of ideas so that truth can prevail in the resultant competition of ideas. If there has been interference with this free interplay, it is well that the country hear about it. The first problem, then, in which we all share a concern is our great national harvest of the tree of knowledge and how the fruits of knowledge may best be used to strengthen and nurture our society.

The second great factor of our generation is the evil force made manifest by international communism and Soviet imperialism. How can we reckon with tyranny of this order of strength and complexity and, at the same time, keep our own institutions free and strong? Here, again, the answer comes not from 1 school of thought or 1 political party, but rather from our united endeavors as responsible citizens of this Republic. Moreover, the essential part that knowledge and reason can play in increasing our national strength and overcom-

ing the communistic menace needs wider public support. Finally, we need perhaps to appreciate more fully the fact that the free study and inquiry carried on in our great educational institutions constitutes in itself one of the essential American values that we must protect from the evil forces at large in the world.

I think we can all agree that thoughtful attention should be given to the problems of relating scientific advance to education and that great attention should be given to safeguards against communism. We all want to maintain freedom and pursue truth. We are all concerned with justice and the good life. We are all concerned as citizens with national security.

The problems before this committee are much more specific in character. This investigation is concerned with ways in which foundation officers and trustees and educators and social scientists have discharged their responsibilities.

When I turn from this broad statement of common objectives and basic purposes to much of the testimony that has been offered, and to the statements that have been made with respect to the social sciences, I must confess to a sense of bafflement. The staff has tried to call into question the efforts of the very individuals and institutions who are devoting their resources and energies to the increase and dissemination of knowledge and the protection of the American way of life. The picture that has been presented to the committee does not accord with my own observation and experience. The most charitable explanation that comes to mind is that they speak from ignorance rather than malice. Perhaps I could be most helpful to the committee by sketching very briefly my own sense of reality about the kinds of problems dealt with by the staff and other witnesses. The committee has been presented with statements about an alleged interlock, financed by the foundations and controlled from the top in such a way as to foster educational theories along certain definite lines. We are told, in effect, that a few organizations constitute an efficient integrated whole, tending to work against the public interest. I shall limit my observations to the kinds of individuals, fields, and organizations that I know something about at first hand, and I must say flatly that my experience here contradicts the views that have been suggested by the staff.

My contacts are largely with the social scientists over the country and with the limited number of foundations interested in social sciences and closely related fields. Most of the social scientists with whom I work are on the faculties of our universities and colleges. I come into contact, also, with a smaller number employed in industry and governmental agencies. These individuals are men and women of independent judgment and integrity. They have dedicated their lives to research or teaching, or both. They have an extraordinarily high sense of civic duty and respect for truth. Their primary objective is to attain a greater understanding of human behavior and social relationships and to share this knowledge. They are sensitive to any impairment of freedom of inquiry. They bring sharp critical judgments to bear on the work of their fellow-professionals in various fields. No other country has such professional groups, so highly developed, and so widely concerned with an analytical approach to human problems. While our debt to European scholarship, particularly of the 19th century, is very great, the 20th century development

of the social sciences is widely recognized abroad as a distinctively American contribution. This growth has been large since the turn of the century. While many traditionally minded European scholars remain somewhat skeptical of much that has happened here, there is an increasing interest among the younger university men in other countries about American developments. Just as in the natural sciences, the tide has turned from Europe and scholars from all over the world come to the United States for advanced work in the social sciences.

This development was possible in the United States because of our greater willingness to experiment. Our expanding universities could give opportunity to research men who wished to explore new leads. They were not forced into the conformity set by a ministry of education; they were not trammeled by faculties firmly set in old ways. It was the very absence of control under national educational systems, that provided the conditions favorable to growth and exploration. Hence, the big fact that impresses me is not a system of interlocking cartels, but rather, an extraordinary degree of individual initiative.

The individual social scientists over the last 50 years or so, have organized professional associations for the purpose of sponsoring professional journals and holding annual national conventions. But, here again, the interests of individuals could not be contained in a single professional organization. Many members of these associations also belong to many other associations that have little or nothing to do with their professional concerns. Even within the area of professional interest, regional associations have been formed, and wholly separate societies have been established within each field. The problem has not been that of authoritative control, but rather, of maintaining enough unity of purpose and focus of attention to keep the associations reasonably harmonious.

The social scientists in the United States, in recent decades, have had a wide range of opportunities for their skills. Their work is so much in demand that their problem is essentially one of choice. The demand for the services of outstanding economists, psychologists, demographers, and the rest has been for years far in excess of the supply. For those interested in applied research, there is a wide range of opportunities in government, business, labor unions, and a great variety of organizations concerned with social problems. Students turn with lively interest to those fields that attempt to advance our understanding of human affairs and student interest in these subjects has been so great that our universities and colleges must compete in recruiting able social scientists to their faculties.

Our economy of abundance seems to operate in intellectual matters as it does in other fields. Teaching, applied research, and consultation in various practical fields tend to absorb the energies of social scientists. For the limited number who are carrying on original and costly research, foundation aid is very welcome. Such social scientists need foundation support unless they are to be largely dependent on industry or government. They are not dependent on foundations to provide opportunities for their skills and abilities; they have many alternatives. Even if they desired to, foundations could not possibly control the interests and attention of the social-science professions. However, I know of only 10, or so, foundations with a real interest in social-science research.

I have emphasized the independent of social scientists and I have called attention to their diversity of interest and the broad range of opportunities open to them and their development in the United States, in order to get before the committee a better sense of perspective and proportion about the problems under investigation. In conclusion, I would like to emphasize that it is the men and the women in these fields of learning who are our strongest national resource for advancing the ranges of knowledge that will make us better able to understand our common problems. They command the analytical methods for most effectively getting at such questions in basic and tangible terms. Eternal vigilance is the price of liberty and social-science research is an essential tool for the vigilant.

The social scientists have an essential contribution to make. They don't know all the answers, but they can explore many of the significant problems and offer highly relevant facts on a variety of important questions. But since the committee's staff and other witnesses have brought into question the methods of the social scientists, particularly their use of empirical methods, I would like to clarify what is meant by the empirical approach.

To approach a problem empirically is to say: "Let's have a look at the record." To employ the empirical method is to try to get at the facts. Where feasible, counting and measuring and testing is undertaken. There is nothing necessarily technical about empirical methods and there is no simple distinctive empirical method as such.

Congressional investigating committees normally follow an empirical approach. To imply something immoral about using an empirical method of inquiry is like implying that it is evil to use syntax.

One thought occurs to me. It came to my attention the other day.

Our system of self-government is based on the necessity of the apportionment of congressional seats, and you might say at the outset it was necessary to count noses; and our census is built into our congressional structure. You have there a quantitative approach, if you will, that is simply integral to popular self government. You have to know how many people there are, in order to go forward. I just mention that as a thought that might have some pertinence here.

There is another entirely separate question, namely; is fact-finding enough in itself? Obviously not. Logically and necessarily, a position must be taken on a priori grounds as to whether a problem is worth investigating. In strictly research terms, this involves the investigator's assumptions as to what is significant or worth while to study. In terms of applied research, it involves a determination by the responsible decisionmaker, to tell the research man what body of fact he wants investigated and what questions he would like answered, if possible.

Neither the Social Science Research Council nor any responsible research organization that I ever heard of has ever made fact-finding an end in itself. Here fact-finding is obviously open to the charge of aimlessness. On the other hand, the scientific investigator does not work to establish predetermined conclusions. He may follow his hunches. He may go from one experiment to another. His intuitive or rational knowledge of his field helps direct his curiosity toward those avenues of inquiry that seem promising. He guards against wishful thinking. He will not let his hopes of what should be get

in the way of his concern with what actually exists and what can be observed. From his background of work in his particular field, he follows leads concerning what may be most significant to investigate. He seeks to array the facts, and he remains sensitive to the hypotheses that seem to be suggested by the facts and that way point to certain tentative generalizations. Once having gained some sense of direction or relationship from this initial inquiry, he may formulate other hypotheses that suggest meaningful relationships among a wider range of factual data. Out of all this, there may or may not emerge a theoretical formulation. It frequently happens in science that theories are established that can be tested experimentally and where other workers in the same field from their independent work arrive at the same conclusions. When this takes place, theories can be built into larger conceptual schemes, behavior can be predicted, and practical ways of putting the theories to work can be stated.

This method of analysis for many years has been applied to the study of human beings and social interrelationships with varying degrees of success. No responsible witness would predict that all human problems can be scientifically studied, and no responsible-minded social scientist would argue that all human problems can be solved by science. All would agree, however, that knowledge is better than ignorance, and the attempt to analyze in more orderly and systematic fashion the problems that confront man and society is well worth the effort. Some people working in the social sciences are more optimistic than others concerning our present stage of advance and our prospects for the future.

To deny that the social sciences have a contribution to make, or to cast doubt on the capacity of man to guide his destiny by applying thought to human problems, in secular terms at least is to embrace either an obscurantist or anti-intellectual position, or to adhere to a determinist position. The current and most menacing school of thought that denies the fundamental premises of the social sciences is the Marxian philosophy of history. The obvious unreality of their dogma seems to have no effect upon the adherents of communism, despite the fact that it has led to the triumph of statism and the worst tyranny of modern times. The point here is that it denies the validity of empiricism as a relevant method of inquiry because it asserts that the course of history is inevitable and individuals can do nothing to basically affect the outcome.

Mr. HAYS. Dr. Herring, would you mind if I interrupted you right there for a question along that line? Do you have any knowledge of whether the Communists—I am speaking now of the Russian Government—object to empirical research?

Mr. HERRING. Mr. Hays, I have with me some rather interesting data on this point, and if it would meet with the pleasure of the committee, I would like to submit it to you a little later. I can summarize on the point now.

Mr. HAYS. Just very briefly, if you could answer the question.

Mr. HERRING. The gist of it is that they do object to it most violently; that the one thing that anyone believing in this predetermined course of affairs or any one committed to a politically dictated course of policy cannot tolerate is an objective analysis of the facts. And the Russians certainly have a way, in their publications, of coming up with some interesting fulminations.

Mr. HAYS. I do not want to disrupt you too long, but would you care to just briefly comment on why you think they object to empirical research? Is it because they are afraid that the findings will not coincide with what they say is right, with their dogma?

Mr. HERRING. Here you have an authoritative line of policy that is enunciated by the Kremlin, and whatever is called for by that predetermined line is produced, or else. That is one aspect of it, in sort of practical terms.

The other side is that here is a system of belief, of view, that fits in with the philosophy of history that makes this kind of free inquiry as to what is going on something that cannot be entertained by people who have that cast in mind. But this sort of point can be documented over and over again by people who have a first hand familiarity with what has spewed out of Russia.

The Marxian dialectic confuses the issue by asserting a scientific validity to their doctrine. And it may be just as well to emphasize this point, because it does confuse matters. This is wholly false and misleading. It is based on the argument of Marx that his theory of class struggle was arrived at by reviewing the efforts of the laboring man through revolution and other means to achieve a relatively stronger degree of political and economic power.

The social sciences stand four-square in a great tradition of freedom of inquiry which is integral to American life, to the Anglo Saxon tradition of self-government, and to the concern with the individual fundamental to both Western civilization and its ancient heritage stemming back through the Renaissance to the Classic World and to Judaic-Christian concern with human dignity.

To spell out the full course of historical events that would provide the empirical evidence for this assertion, would unduly tax the time of this committee and it is obviously not necessary to argue this case before a committee of the Congress of the United States.

This is the sort of thing that could be pursued perhaps in a seminar room.

However, since the issue of empiricism has been raised by other witnesses, a brief explanation may be helpful. I have been discussing the empirical method as a tool of analysis and I have indicated that our American tendency to get at the facts, to have a look at the record, to separate mere speculation from factfinding, is so embedded in our habitual ways of doing that that it really needs no defense.

It has been suggested, however, that there has been an overemphasis on this method and that it may somehow, in a manner unspecified, lead to undue control, the corruption of moral principle, the confusion of the public, the domination of education, and the corruption of ethical principles and spiritual values. It is somewhat difficult to come to grips with this broad allegation, since it is presented in terms of inference and innuendo. The charge is not made flatly, but rather in terms of overemphasis or posible deleterious effects in the future if an empirical approach is carried too far.

I would agree, as a logical proposition, that extremism in any subject is, by definition, bad. Hence, the problem, I suggest, is one of balance and degree. Witnesses have asserted that overemphasis has been placed upon an empirical approach. This remains a matter of opinion and I know of no way in which such a charge can be definitely established one way or the other. In my opinion, there is not

an overemphasis upon empirical research. In my opinion and experience and observation, quite the reverse is true. I observe a strong human tendency on the part of a great many of us, as individuals, to see what we choose to see and to believe what we want to believe. I observe a readiness to speculate, to guess, to haphazard opinions, and to come to judgments on the basis of very inadequate evidence. It is my observation that this is a very human tendency, if not indeed a common human weakness. This tendency is found in all walks of life. It becomes a matter of high moment in policy decisions and in the formation of public opinion.

Social scientists working as economists, historians, statisticians, sociologists, or what not, are prone to this weakness as individuals, just like anyone else. In their professional capacity, it is their duty to guard as best they can against letting wishful thinking get in the way of objective analysis. Sometimes they fail, but in my opinion more often than not they succeed. In their work as scientific investigators, they operate within an appropriate system of values, to wit: They cannot be unmindful of the ethical principle of seeking the truth and of honestly analyzing their evidence. They cannot be oblivious of spiritual values of freedom, because their work as investigators is dependent upon a full sense of truth and freedom and justice. They are the first to suffer if their fellow-citizens relinquish a common loyalty to truth, to freedom, and to justice. The evidence of this is obvious when we recall that after dictatorships arose in Russia, in Italy, and in Germany, the freedom of scholars and research men to pursue the truth as they saw it on matters of public policy, of economics, of history, and of the nature of man and society, was immediately curtailed and ultimately destroyed. It was imposible for them to carry on empirical work. The facts could not be arrayed in terms designed to bring out their true meaning. The ends were dictated by the State and either incompetents or prostitutes in the social science fields were ordered to produce the results demands by the dictators and to array evidence in accordance with the principles predetermined by the single party in power. The social sciences were destroyed before the dictators began their perversion of the natural sciences, particularly biology and genetics, and their erosion of the church and religious beliefs.

I repeat that eternal vigilance is the safeguard of liberty, and recent history proves that particular vigilance must be exercised if the freedom to study human problems is to be maintained. The dangers here are not simply the obvious threats of totalitarian rule, but likewise (and more insidious for us in the United States) the dangers of prejudice, malice, and wishful thinking. Authoritarianism that denies the freedom of the individual to study, to question, to inquire, to form his own opinions on controversial matters, is not always expressed through conspiratorial parties, concentration camps, and secret police. Authoritarianism is found in many less obvious ways in the United States today. It is expressed in Mr. Dodd's statement in an indirect and subtle fashion, and is all the more dangerous for that reason. It is insinuated rather than asserted, when he states (on p. 26) "that it may not have occurred to (foundation) trustees that the power to produce data in volume might stimulate others to use it in an undisciplined fashion without first checking it against principles discovered in the deductive process." This assertion is so elliptical in character that, here again, it is hard to bring the charge out into the open. There

is an inference, however, that principles exist which can only be arrived at through the so-called deductive process, and that must serve as an authoritative basis of truth against which truths arrived at through the inductive process should be subordinated. This is not flatly stated but, in my opinion, it is clearly to be inferred.

In philosophic terms, if this statement means anything (and this, of course, is debatable) Mr. Dodd is asserting that one theory concerning the philosophy of knowledge is superior to another theory concerning the philosophy of knowledge. He seems to be saying that deductive thought is somehow superior to inductive thought. He seems to identify inductive thought with the social sciences and thereby suggest that their findings cannot be valid unless substantiated by the principles discovered through the deductive process.

Now, I am not choosing of sides between these two. I am just trying to get the issue before you.

In the first place, this line of reasoning discloses his ignorance of the methods employed by the social scientists. Social scientists do not limit themselves to either inductive or deductive reasoning, as such. They employ deductive principles, for example, when they decide upon the importance of subject matter for study. They tend to follow the inductive method when they analyze their data. They are not, however, victims of any single school of thought, nor are they limited to any single line of reasoning. They use whatever methods of logic they, in their competence as scholars and research men, feel may help with the job in hand. By and large, they tend to limit their inquiries to topics that they regard as researchable: that is to say, they seek questions that they think are susceptible of systematic analysis and of subject matter that preferably can be observed. This leads them to study the behavior of men and of institutions and of the activities of business firms, labor unions, governmental agencies, and individuals, singly or in groups. Some devote their attention to analyzing the beliefs that people hold and the attitudes they take on various issues. Some social scientists are more interested in the theories that men express than in the activities in which they engage. But their general inclination is to try to find out what is going on rather than what should take place. Many students of social phenomena offer their interpretations about desirable alternative courses of action, and some offer their informed individual judgments on the basis of their studies.

By and large, this work in the social sciences tends to go from a consideration of particular facts to the larger interrelationships among these facts and the generalizations that might be offered concerning them. In this sense, it is empirical and comes within a common American habit of mind. At the risk of oversimplification, I would say that the views of Mr. Dodd might be characterized as rationalistic because of his alleged faith in principles deductively arrived at, and the views perhaps of most social scientists tend to be arrived at empirically. I repeat that it is difficult to restate with precision just what Mr. Dodd's position is and that it is also difficult to generalize with any precision about fields of knowledge so varied, so dynamic, and so fluid as the social sciences. The point I wish to make is that, to the extent that the line can be drawn between empiricism and rationalism, empiricism tends to be more in the American tradition than rationalism. To sustain this view, it is necessary to recall that the father of empiricism, as a distinctive field, is John Locke. Its

antecedents, of course, go back to Francis Bacon and can be clearly traced to Aristotle. It was John Locke, however, who stated this school of thought most clearly, and it was John Locke who also set forth the philosophy most widely accepted by the Founding Fathers of this country. Locke found himself in conflict with the philosophers of rationalism in Europe. From the standpoint of the history of thought, Locke's views were in conflict with those of Leibnitz and Spinoza. Were Locke here today, he would probably repeat a comment he made to a friend apropos of some rationalistic speculation of Leibnitz, when he said: "You and I have had enough of this kind of fiddling."

I respect the great contribution to Western thought made by European philosophers, but I know that they likewise would be critical of much of the research that has been carried on in this country over the last hundred years, or so. Descartes, Spinoza, and Leibnitz, among others, championed the ability of the mind to know reality by means of its faculty of reasoning which, for them, was independent of experience. It was John Locke, the philosopher of the glorious revolution of 1688 in Great Britain, who developed the political philosophy so meaningful to the Founding Fathers of the United States who also developed the doctrine that knowledge is derived from experience.

This faith that the future is not foreordained, and that man can learn by doing, is the viewpoint that has motivated so much of our history. It was in the Age of the Enlightenment at the end of the 18th century, that men began to nourish the hope that human institutions might be brought within the scope of science. And it is not surprising that this search for a science of society should have been taken up and carried further in the United States than anywhere else in the world. If we had time, it would be very interesting to develop this further. Because if you think back to the attitudes of the Founding Fathers, it was empiricists such as Benjamin Franklin, who went out and flew a kite in order to find out what was going on in the thunderstorm, and it was that kind of "let's get at the facts" attitude that was in the minds of men like Washington and Adams and Jefferson. They were people, in that period, who were enlightened and informed by that attitude. And, as I say, if we had time to go into the history of thought, it is a fascinating story, this contrast between the rationalists on the continent of Europe, the encyclopedists, who found themselves at odds with the government at the time.

Contrast the problem that they faced there with what went on here, where we had a meeting of minds and an understanding on the part of scholars and scientists in this country, and our Statesmen. There was no conflict of mind between the schools of thought. They were in the same tradition. And the interest that George Washington expressed in a national university, for example, and the interest that Alexander Hamilton expressed in subsidies to inventors and to the encouragement of science at that time, the interests of Adams, all go back into this same thing.

One could go on at a great rate about the very interesting historical antecedents. But the point is that here was a new land, untrammeled by old conflicts and ancient grudges, where man was offered an opportunity to realize his destiny. Nature conspired with human intelligence and imagination to realize the potentialities before us as a Nation. Life, liberty and the pursuit of happiness were to be achieved

if the individual but used his good sense and worked with his fellow-citizens to maintain democracy.

The social sciences, as they have developed in recent decades have contributed, within the limits of their capacity to the high purposes set forth in the preamble to the Constitution; namely—

> * * * to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity. * * *

Political science, by enabling us to understand the nature of our Government and laws more clearly, has contributed greatly to good government and the preservation of representative institutions. Economics, by adding to our knowledge of the business cycle and storing up great bodies of statistical and other data, has enabled industry and government to find ways of achieving a more stable economy. Industrial relations research has helped find methods for reducing the conflict between management and labor. Sociology has provided facts about family life, juvenile delinquency, and race relations that have time and again substituted reason and knowledge for bias and prejudice. Demography has provided knowledge of population trends of enormous practical importance. Penology has helped us to deal more reasonably with the control of crime. This list could be elaborated at great length. The main point is to emphasize the American habit of saying, "Let's have a look at the record. Let's see, in a given instance, what is practical and feasible. Let's see what we can accomplish by taking thought together. Let's have done with fiddling, with mere speculation, and see what can be done through commonsense, fortified by whatever orderly array of facts can be introduced, to find a reasonable solution."

In this endeavor, the principles of truth, freedom, and justice serve as a guide. In these terms, I can ask no more of this committee than an empirical approach to this inquiry into the activities of the foundations and related agencies.

Since various references have been made to the social sciences and specific allegations have been directed at the Social Science Research Council, I respectfully request an opportunity to present to the committee statements on these matters, either orally or in writing, and preferably in both forms. The council is not, in any sense, the formal spokesman for either the seven associations that designate members to our board of directors or for the 10,000 individuals engaged in the social sciences over the country. Our focus is on the advancement of research. If the committee wishes to pursue its inquiry about the social sciences in this country, this might best be done by calling upon leading social scientists to present their views.

I have before me brief statements from annual reports of the council that describe our aims, organization, and general attitude, and data on this has been distributed in advance to the committee, as a general statement from our annual report about the organization. And I would be glad further to supply whatever specific facts I can concerning council activities that may be of interest to the committee. We have also prepared a more extensive statement, dealing with certain allegations that have been made.

This statement to which I refer is entitled supplementary statement A. It was distributed in advance to the committee and takes up and offers specific replies to specific points.

I know you want to conserve your time, and I would not undertake to read this document to you, since you have it.

The CHAIRMAN. It may be presented as part of your statement.

Mr. HERRING. If I may offer, then, for the record, supplementary statement A and supplementary statement B, I think it would be helpful to the committee.

(The statements referred to are as follows:)

SUPPLEMENTARY STATEMENT A ON BEHALF OF THE SOCIAL SCIENCE RESEARCH COUNCIL—REPLIES TO SPECIFIC POINTS

There are a number of particular criticisms of the social sciences in the report of the research director for the committee on which we offer comments. He states:

"The broad study which called our attention to the activities of these organizations revealed not only their support by foundations, but has disclosed a degree of cooperation between them which they have referred to as 'an interlock,' thus indicating a concentration of influence and power. By this phrase they indicate they are bound by a common interest rather than a dependency upon a single source for capital funds. It is difficult to study their relationship without confirming this. Likewise, it is difficult to avoid the feeling that their common interest has led them to cooperate closely with one another and that this common interest lies in the planning and control of certain aspects of American life through a combination of the Federal Government and education" (stenographic transcript, ibid, p. 47).

If this statement intends to say that the organizations listed in the report are able to exert such power as to bring about a combination of the Federal Government and education so as to permit the organizations to plan and control some aspect of American life, then the statement is absurd. Education is controlled by local school boards and by departments of education in the 48 States, and the Federal Government is controlled by a large number of competing interests among which the influence of the organizations mentioned is certainly not great. With respect to the specific objectives or effects attributed to the interlock the council has had no part, or inclination, in bringing about such alleged changes through education.

The council is concerned primarily with improving the quality of research in the social sciences—that is, with the reliability, rigor, objectivity, and honesty of social-science research. Necessarily related to this objective is a concern with improving the quality of the research workers in these fields, with studying the conditions under which research is carried on, and with intelligent discussion and understanding of what research can and cannot do. The council is not engaged in developing or in advocating public policies or political programs, or in directing or shaping educational objectives and policies.

The Social Science Research Council has not cooperated with similar agencies in other fields of research for the purpose of planning or controlling certain aspects of American life. It has not sought, nor does it seek, control over any aspect of American life, including research in the social sciences. The council has participated in encouraging various types of planning in research, particularly with the intention of making research more productive. This has been done through the preparation of publications which help to summarize the existing accomplishments of research in a given field, and through efforts to help research men find the most promising lines of future research on which they might concentrate their attention.

The Social Science Research Council accepts grants from several foundations for the administration of fellowships and for other forms of financial support for research in the social sciences. However, foundations make grants for similar purposes to other organizations concerned with research in the social sciences, such as universities and research institutes of many kinds, and foundations also administer fellowship programs of their own. In addition, individual research men in universities are frequently financed by university committees from en-

dowment funds, and research institutes also are financed by funds from private sources, such as business firms concerned with market research problems, and also by the Federal and State government. (See, for example, the Directory of Social Sciences Research Organizations in Universities and Colleges, published by the Social Science Research Council in 1950.)

There is the allegation in the report that the staff's study of the foundations and the organizations mentioned "seems to warrant the inference that they constitute a highly efficient, functioning whole. Its development and production seems to have been largely the work of these organizations engaged in research, such as the Social Science Research Council and the National Research Council" (ibid., p. 47). This charge as worded here is a vague one. The inference that such a "highly efficient, functioning whole" exists is not warranted. We admit that in our operations we do seek to be efficient. The nature of this "whole" and the extent of the "interlock," however, need some rigorous examination if the committee is to have a fair and accurate view of just what does and what does not exist.

There is first of all the statement in the staff report that the council "acts as spokesman for seven constitutent member associations," The fact is that the council has never been designated as a spokesman by the seven associations which elect part of the council's board of directors, that the council has never sought to arrogate to itself the role of spokesman for these associations or for social science as a whole, or for anyone except itself, and that actually save for an occasional individual member of one or another of the associations no one has ever seriously proposed that we or anyone else act as spkesman for them.

The suggestion that the council is such a spokesman rests upon a very fundamental misunderstanding of the way in which learned associations function as well as of the entire academic population. It is only on very limited matters that the associations try to act as spokesmen for their members as a whole. The programs of their annual meetings, the contents of their journals, or the nature and substance of any other activities which they carry on are not cleared with the council or conducted in accordance with policies discussed with the council or influenced by the council as such in any other single way. Consultation does occur occasionally in matters of mutual research interest but these occasions have arisen with any particular association not more than about once in 3 or 4 years.

The one continuing relationship between the seven associations and the council consists of the designation by each of them each year of a member of the council's board of directors for the subsequent 3 years. The origins of this relationship are very simple if one understands the situation in the social sciences at the beginning of the twenties. There were then seven well-established associations some of whose members wanted to see the establishment of an agency more actively engaged in fostering better research. The associations themselves could not well undertake this because they were not organized to carry on from month to month and from year to year the tasks to be undertaken by the council, because of a view that a single agency concerned with all seven fields was desirable, and because actually research always has been and must be only one of the concerns of the associations many of whose members are interested primarily or solely in teaching or in other vocations.

Leaving then the "spokesman" angle of this allegation as the committee may reasonably be concerned with the extent to which the council and the other organizations called to its attention cooperate. Ten years ago the conviction arose that the councils (the American Council on Education, the American Council of Learned Societies, the National Research Council, and the Social Science Research Council) ought not to work in total isolation from each other and that they ought occasionally to talk over ideas and activities which might be of interest simultaneously to two or more of them. This led to the creation of the Conference Board of Associated Research Councils, a body to which some prior reference has I think been made in these hearings. Over its entire life it has held an average of three meetings—sometimes a day in length, sometimes half a day—a year. The conference board has no staff beyond the volunteer services provided by the councils themselves. It is therefore certainly far short of a tight "interlock." Some measure of criticism may well be justified and might better be directed against the limited communication and cooperation which has occurred between the councils. Close and more frequent consultation might assist in making contributions of national benefit. So far, however, we have not found a highly efficient way of achieving this close working together, and certainly no funds for providing the conference board with even minimal staff resources.

The four councils do cooperate under a contract with the Department of State in the preliminary selection of postdoctoral lecturers and research scholars to receive awards under the Fulbright Act. This process of selection is made from among persons who apply in an open competition, publicly announced throughout the United States. The committee of selection consists of 12 members, usually university professors, appointed by the board, and 4 members of the staffs of the councils, all of whom serve without compensation other than expenses. The final selection of Fulbright grantees, however, is made by the Board of Foreign Scholarships, the members of which are appointed by the President of the United States.

The conference board has sponsored the Commission on Human Resources and Advanced Training which has for the past 5 years been studying problems of the supply of and demand for American professional persons over a wide range of fields of learning. There are also other ways in which the four councils work together. There have been over the past 15 years a number of joint committees between 2 or more of the councils as such, and some 5 or 6 conferences sponsored by 2 or more of them. For example, we and the National Research Council some years ago set up a joint committee to try to foster more accurate ways of measuring attitudes and consumer wants. A few months ago the Social Science Research Council and the National Research Council jointly sponsored a small conference to discuss whether significant studies of twins could perhaps be worked out. Other examples are the formation by the National Research Council and the Social Science Research Council of a temporary committee to make arrangements for a conference on research in contemporary Africa, held in October 1953, to which were invited some 50 specialists in biology, geography, anthropology, sociology, economics, and political science.

With the American Council of Learned Societies we have had joint committees which tried to improve communication between scholars engaged on studies of Latin America to ascertain whether something could be done to increase the number of Americans with competent knowledge of India and its neighboring countries, and to aid American scholars in critically analyzing such materials as can be drawn out from behind the Iron Curtain. These joint committees represented a recognition that there are problems on which humanists and social scientists, or social scientists and natural scientists ought to have something to contribute to each other. At the same time, however, the joint committees have always been very minor elements in the current work of any one of the councils concerned.

With the other organizations mentioned in the report, aside from the other three councils, and the American Historical Association, which is one of its affiliated societies, the Social Science Research Council has had almost no formal contact, and little informal contact.

Another allegation in the report of the research director is given in these terms:

"In what appears from our studies to have been zeal for a radically new social order in the United States, many of these social science specialists apparently gave little thought to either the opinions or the warnings of those who were convinced that a wholesale acceptance of knowledge acquired almost entirely by empirical methods would result in a deterioration of moral standards and a disrespect for principles. Even past experience which indicated that such an approach to the problems of society could lead to tyranny appears to have been disregarded" (ibid. p. 48).

This statement contains a number of suggestions and charges which involve questions of extended scope. What is the "radically new social order" suggested? Has there been a wholesale acceptance of empirical knowledge which has resulted in a deterioration of moral standards and a disrespect for principles? In the experience of which countries has an empirical approach to social problems led to tyranny? These questions raise broad and vague issues, and the present report of the research staff provides an insufficient basis for their analysis. However, there is a tone of accusatory implication in these statements which may be noted at this time. It might be inferred by a casual or predisposed reader of the paragraph quoted above that radical social scientists, undeterred by criticism of their use of empirical methods, were responsible for an alleged deterioration of moral standards, and disrespect for principles, and might become responsible for a tyrannical regime in the United States.

Implications of this kind can only be met by positive statements, in order to present the issues in their clearest light. For example, it may well be noted that certainly very few social scientists have shown zeal for a radically

new social order in the United States. A second statement which may be made to move the discussion to a plane more productive of a sharp definition of real questions, is that, if there has been a reterioration of moral standards and a disrespect for principles, and this statement should by no means be conceded, social scientists have no greater share in such a development than have the members of many other groups in society. Furthermore many persons with deteriorated moral standards and a disrespect for principles have been totally oblivious of knowledge acquired by empirical methods or by any other methods. Finally, social scientists wish neither to be controlled by governmental restrictions on their freedom of inquiry, nor to exercise control over other human beings. They wish, rather, to widen the area of free choice open to human beings, by the discovery of knowledge. It is no accident that it is in the United States that the social sciences have flourished more than in any other country in the world; it is in the freest of societies that the study of man can be most freely made. Only where knowledge may be sought for its own sake, spurred by curiosity and enthusiams of individuals, can research most fully contribute to the widening of human horizons and the realization of man's best self.

It has been alleged that the foundations and the "accessory agencies" have "directed education toward a new international frame of reference." I have been unable to find in the hearings just what this new international frame of reference is supposed to be. The council has not sought to direct education, since this is not within its scope of operations, and its effectiveness in doing so would certainly be limited if it mistakenly undertook such a mission. The council has several times tried to find ways of encouraging more systematic and more searching inquiry into problems relating to the economic and political position of the United States and better knowledge of other areas of the world. We shall undoubtedly make new attempts in this direction if and as constructive ideas arise. The council's attempts to study the research which has gone on and to figure out ways of doing better research have, however, had no relation which I can discern to any particular "international frame of reference"—new or old. The choice of this country's international frame of reference has been made and will we are sure continue to be made by its legislative and executive policymakers and by its citizens through established constitutional procedures. Of course, the council will continue its interest in working out better and more significant research plans relating to problems of international relations—not to any particular international frame of reference—in view of the obviously increasing importance of these relations to the security and welfare of the United States.

Here, for example, is a current council undertaking. Foundation officers became concerned with problems of foreign students at American universities. As a means of learning more about these problems, and how improved methods of dealing with them might be found, three foundations have made grants to the Social Science Research Council. A grant of this type is made to the council for several reasons. The council has experience in the administration of funds; it has knowledge of individual scholars engaged in various fields of research; it has their confidence, and is therefore able to enlist their collaboration in the carrying out of research projects. The result of the council's development of this research project will be several publications useful, we hope, to foreign student advisers in universities, to Government officials planning exchange of persons programs, and to teachers and others who have contacts with foreign students. These publications will be primarily descriptive in nature; they will summarize the results of observation, of interviews and of different types of psychological and other tests. They will also include some comments of a summary character, which it is hoped may assist those responsible for policy in choosing among alternate courses of action. The use of these findings will of course depend on the judgment of those who have responsibility for policies and activities directly connected with foreign students.

Nowhere in the report is the statement made flatly that social scientists, by themselves or with others, are engaged in a concerted political movement to modify the American way of life. Nevertheless, there are suggestions, some of which have been quoted above, which when taken as a whole give the impression that Mr. Dodd feels that social scientists as a group exert a sinister influence on American social life and institutions. An additional hint of this order is found in the following paragraph:

"We wish to stress the importance of questioning change only when it might involve developments detrimental to the interests of the American people, or when it is promoted by a relatively small and tightly knit group backed by a

disproportionately large amount of money which could threaten the American ideal of competition" (ibid., p. 47).

In this and other parts of the staff report, a case is sought to be made against the social sciences, and against organizations in other fields, in terms of innuendos, or suspicions that social scientists may be desirous of exercising control over some aspects of American life. Social scientists reject such an attack on their work and on their motives.

The paragraphs which follow are offered in order to indicate to the committee the nature of the fellowship program of the Social Science Research Council, in view of the comments made by Dr. A. H. Hobbs, assistant professor of sociology at the University of Pennsylvania, in his testimony at the hearings on May 20–21, 1954.

Before answering these allegations, which reflect Mr. Hobbs' personal opinion and not detailed knowledge of the purposes and operation of the council's fellowship program, it may be well to state that the council is only one of a great number of organizations, many supported by foundations, which offer fellowships for training and research in social science. Therefore, the trends in types of training and methods of research, if any, that may appear in the projects of council fellows do not necessarily attest to the general character of training and research in the social sciences.

Throughout its career the council has been concerned with developing more rigorous methods, among which statistical procedures can be numbered. Few scholars would deny that the social sciences have benefited greatly by the use of quantitative methods. The council has been and will continue to be interested in their development, as it would in the fostering of any productive approach. Whether the council has overemphasized the quantitative approach is, and must remain, a matter of opinion. To some reputable social scientists any use of numbers is abhorrent; to others, of an opposite persuasion, work without a quantitative basis seems of little value. It must be strongly emphasized, however, in spite of misconceptions prevalent in some places, that the council has never been concerned exclusively with the development and promotion of only one methodology, statistical or otherwise.

Even a casual reading of the appointments made in the council's programs of faculty research fellowships and research training fellowships during the past 2 years would reveal that projects of many kinds have been supported, entailing a wide variety of research techniques. They range from problems utilizing refined statistical analysis to inquiries of a theoretical or descriptive nature in which quantification would be inappropriate. It is, in fact, exceedingly difficult to determine the extent to which statistical methods will be involved in any particular research. As one tool among many, the statistical approach is used by scientists when they feel it will yield significant information about the question under consideration. It is, on the other hand, scrupulously avoided by scholars when the area of interest calls for other research methods. Ordinarily, even the most devoted exponent of quantitative techniques finds that certain aspects of his problem call for other strategy, for library research, or interviewing or observation. Particularly in new areas of research interest scientists often find that less rigorous methods are essential to describe the problem and explore its implications, perhaps using statistics at a later stage of the research to pin down the more important features of the situation.

Although the research projects supported by the council embrace a wide range of interests and methods, one can distinguish varying degrees of adherence to a quantitative approach. The following classification represents the distribution of projects in the faculty research fellowship program since 1950, and in the research training fellowship program for 1953 and 1954, according to their use of statistical techniques:

	Faculty research fellowship	Research training fellowship
Primarily quantitative	5	13
Mixed	14	27
Primarily nonquantitative	5	27

Mr. Hobbs' principal allegation is that the council, in its fellowship program, but especially in its announcement of awards for 1953 from which he quoted, has

overemphasized empiricism, specifically statistical computation (transcript, ibid., pp. 169–170). He further states that a social scientist reading the announcement "would interpret it to mean that probably, almost certainly, what they (SSRC) are interested in is only statistical computations."

The statement that "fellows will be selected on the basis of their actual and prospective accomplishments in formulating and testing hypotheses concerning social behavior by empirical and, if possible, quantitative methods" applied in the 1953 announcement, from which Mr. Hobbs quoted, to only one type of fellowship, the faculty research fellowships. From Mr. Hobbs' statement one might easily gain the impression that all of the five programs of the council described in the 1953 circular are qualified by this emphasis on a quantitative approach. Notwithstanding this stated preference for projects utilizing quantitative methods, a number of appointments to faculty research fellowships, as already noted were made for work of a nonstatistical nature. In selecting the recipients of fellowships and grants primary importance has never been attached to the methods to be employed, but rather to the intellectual promise or achievements of the applicant.

The audience of professional social scientists and advanced students to whom the announcement quoted is addressed certainly does not construe the term "research" to mean "only statistical computation." This is demonstrated by the variety of applications received and by the diversity of projects and methods for which fellowships have been awarded. It should also be noted that Mr. Hobbs himself was the recipient in 1946 of a council fellowship, a demobilization award for the purpose of making a study of the "trend of emphasis in sociological teaching: 1932–41." Presumably he would approve the subject of his own study for which he sought and gained support from the council as well as the methods he employed.

In one place in his testimony (transcript, ibid., p. 168) Mr. Hobbs states that graduate students "are encouraged through the situation (the giving of large foundation grants) to embark upon study projects which are extremely narrow. * * *. He also states (p. 169), "furthermore, these projects aid these students to a disproportionate degree. Other students who, through differing interests, through a broader viewpoint of society and behavior, who do their work and who don't have such assistance, are handicapped in comparison with the ones who receive the aid through foundation grants."

The council's research training fellowships, to quote the 1953 announcement from which Mr. Hobbs also quoted, are intended precisely to afford persons an opportunity "to obtain more advanced research training than that which is provided in the usual Ph. D. program." We have been mindful of a tendency at times to use graduate students essentially as clerical assistants on large research projects. We have made our concern explicit in letters which accompanied many thousands of announcements mailed to social science colleagues in recent years.

The following quotation is from one of these letters written by Elbridge Sibley and dated November 1, 1951:

"We often fail to get in touch at the right time with extremely able graduate students and young Ph. D.'s who might profit greatly by a year's fellowship. With distressing frequency we hear from academic friends that the best students in their departments are not among the applicants for fellowships because they are already employed in doing things which someone else wants to have done. It is ironic that the ablest individuals seem to run the greatest risk of being prematurely diverted from training for research by offers of employment which, although attractively remunerative, do not foster the optimum development of their research talents. A timely suggestion from you might well lead such a person to take advantage of an opportunity for further training which would in the long run greatly enhance his preparation for a more effective career."

The same point was made in a similar letter circulated the following year:

"To repeat what has been said in similar letters in past years, it is too often true that the very persons whom we are seeking tend, precisely because they are unusually able and hard working, to be diverted from achieving their own maximum development or productivity as research scientists. If you can encourage one or more of these to become candidates for fellowships or grants, you may be doing a significant service both to the individuals concerned and to social science."

In brief, the research training fellowships are designed to give students a broader type of training in methodology. Furthermore, the stipends are paid directly to the fellow who is responsible himself for the conduct of his research or study program.

SUPPLEMENTARY STATEMENT B—NATURE AND PURPOSE OF THE SOCIAL SCIENCE RESEARCH COUNCIL

In the first printed report of the Social Science Research Council, we find this excellent statement about how the council came into being:

"For those unfamiliar with the Social Science Research Council, the following statement of its genesis, aims, and organization is set down:

"As man's study of his physical and institutional surroundings has become more intensive, the comfortable wholeness of his earlier world has disintegrated. We no longer have 'natural philosophers' who 'take all human knowledge as their province.' They have given place to troops of 'specialists,' whose achievements are unquestioned, but who are painfully aware of how small a fraction any individual knows of what mankind has learned. Men 'who know more and more about less and less' are pushing forward the refined researches of today at every point along the deploying line of scientific advance. But even as a device for gaining more knowledge, specialization is acknowledged to have its drawbacks. We are in danger of distorting our vision when we wrench a section of the world loose from its context to facilitate its intensive scrutiny. We risk waste effort when we use our narrowly limited individual resources in attacking problems which might yield to joint endeavors. The mathematical, physical, and biological sciences were first in this country to organize in an effort to see their problems whole and to facilitate cooperation among specialists concerned with clusters of problems. But shortly after the National Research Council was formed, several representatives of political science, economics, sociology, and statistics came together for a similar purpose. Out of this informal beginning the Social Science Research Council developed in 1923. It was presently strengthened and broadened by the accession of psychologists, anthropologists, and historians."

WESLEY C. MITCHELL, *Chairman.*

(Social Science Research Council, Third Annual Report, 1926–27. New York, November 1927. Pp. 14–15.)

The following statement is reproduced from the 1952–53 annual report of the Social Science Research Council:

"The council is organized as a private corporation, and governed by a board of directors. The board meets twice a year to review all operations of the council and related matters. The members of the board are drawn from among outstanding representatives of the various social sciences and closely related fields. The content of the program of the council reflects their informed and responsible judgment. The actual process of selecting topics and determining procedures is carried on with the aid of a small professional staff, cooperating with committees and consulting directly with many research workers. The suggestions and recommendations from council committees or from less formalized sources of advice are examined and discussed by the council's committee on problems and policy. This committee meets about six times in the course of the year to consider the current work of the council and to develop further, with the aid of the staff, proposed new projects, programs, and preliminary explorations.

"Most members of the council are active on 1 or more of the 30 or so committees described in subsequent pages of this report. As the committee lists demonstrate, the membership is drawn from a wide variety of institutions and disciplines and in recent years has involved services annually by some 200 members of 50 or more university and college faculties and of the staffs of scientific, business, and governmental organizations. Committees concerned with the planning and appraisal of research in different fields are appointed by the committee on problems and policy, while administrative committees are elected by the board of directors. Participation is based upon competence of individuals in their fields, known interest in the subject at hand, and willingness to give time and attention to cooperating with fellow scientists. Committees serve without compensation, except for actual expenses in attending meetings. The appointments are on an annual basis, and are usually reviewed and revised each autumn.

"The initial leads from which the council's research planning activities evolve arise from the ideas and research goals of the research workers who identify themselves with the objectives of the council, irrespective of whether they are at the moment members of it, or of its committees. Research planning would be artificial and sterile if it were not directly related to the motivation of research workers to carry their own inquiries forward. The council endeavors to fulfill its basic purpose through the process of selecting ideas and individuals and providing opportunities for the development of whatever cooperative relationship will advance research in specific areas. In a sense, this process has an

architectural quality in that the council seeks to relate the skills and objectives of the individual specialist to building a structure of ideas and knowledge of more general significance.

"The foundations supporting the council over the years have recognized the value and utility of an organization that can bring together the initiative and judgment of social scientists on problems of research development directly related to their own concerns. Fruitful leads for scholarly inquiry and constructive suggestions for strengthening research personnel and improving their training most appropriately come from the responsible academic leaders who are devoting their lives to these problems in the universities and colleges. The council provides a means of ready communication among scholars in different institutions who, because of the very fact of their specialized research interests, often work in relative isolation among their immediate colleagues and hence welcome an opportunity to discuss their problems with persons developing similar interests at other institutions. Education in the United States is not organized under a unified national ministry of education; rather, there are a considerable number of national organizations, each dealing with distinctive facets of education and research. The Social Science Research Council is one of perhaps a dozen or so such organizations. Its distinctive contribution rests in its concern with the advancement of research in the social sciences.

"The grants made directly to the council by foundations are usually for specified purposes. Hence, the council is not in a position to consider many requests for financial assistance that a foundation might find appropriate. The council's concern is with ideas for research and with preliminary aspects of research which may or may not lead to well-planned projects worthy of support. Many of the council's appraisal and planning efforts are focused not on the development of specific research projects but on calling attention to needed work. The publications of the council resulting from these efforts are fertile sources of suggestions for research. In other cases, relatively precise plans for research may be outlined. If specific research projects are developed and funds are needed, the individual or group prepared and qualified to execute the plan may seek funds directly from a foundation, and the funds, if made available, go directly to the applicant or his own institution.

"Only in exceptional instances does the council accept funds for the direct support or supervision of research. It sees its functions as those of planning, stimulating, and initiating research rather than conducting projects than can be done more appropriately by other organizations.

"At the September 1953 meeting of the board of directors, particular consideration was given to the present status of the social sciences in the light of the current demands upon them and prevailing methods of support. There was no disposition on the part of the board to attempt to modify the objectives for which the council was founded; it reaffirmed its continued concern with basic research and development of the social sciences.

"The trend of the times is toward increasing recognition that the social sciences afford means for better understanding and analysis of many complex social, political, and economic problems. The economists, the psychologists, the statisticians, and members of all the other social disciplines are the specialists whose aid is sought, because theirs is the relevant training. Many organizations offer opportunities for social scientists to work on pressing current problems that call for study by trained personnel. In attacking such problems, at the behest of philanthropic, business, or other organizations, specialists from many fields apply their knowledge and the techniques and theories of analysis that are now available in social science. But all will agree that valuable though such inquiries are—and indeed essential for bringing available thought and information to bear—the complexity of the problems involved does not permit anything more than a partial analysis.

"It is the council's primary function to provide for the development of better methods of research, more effective means of gathering necessary data, and more adequate theoretical formulations. Unless research men are encouraged and stimulated to give some portion of their time and energies to these purposes, the agencies that seek quick 'answers,' facile solutions, or practical judgments may tend to crowd more fundamental problems from the forefront of consideration.

"The council has long been concerned with improving the training of social science research personnel; but not enough attention is given to their opportunities for lifetime careers and to the frequent lack of research continuity in such careers. As research institutes attain more financial stability they can offer

competent staff employees continuous careers in research, but most social science research organizations in universities today lead a hand-to-mouth existence. Moreover, well-qualified social scientists often follow a seemingly erratic career line as they are attracted from one brief research opportunity to another at different institutions.

"As the September discussion revealed, the increase in contract funds for research has led to undue emphasis on developing special projects as distinct from continued basic work. Basic research can be encouraged only by providing an environment for research scholars conducive to continuity in their work. There should be clearer recognition by the universities that research is just as much a part of the professor's career as is teaching, and that provision of opportunities and funds for research is just as important as for teaching. In order to obtain university funds for research at the present time, there is too much emphasis on shaping a project that has 'appeal.'

"The best working conditions for social scientists generally are to be found in a university setting, and maintaining that setting with its original advantages is of first importance. University personnel should not be dependent on funds from contracts with outside agencies to sustain their research interests. Short-term support for particular or limited research jobs results in the abuses that have been described as 'projectitis.'

"The council's concern with basic scientific research and with matters of paramount interest to research workers, in accordance with the purpose for which the council was incorporated, means that questions of public policy must be left to other organizations. Of course, social scientists in their teaching and writing pursue a variety of interests and concern themselves with a wide range of problems. But within the council our common purpose is the advancement of research in the social sciences.

"The decision taken 20 years ago with respect to current public problems still holds: 'The council determined not to avoid current issues by reason of their generally controversial character, but rather to give weight to the promise of particular research to contribute to an understanding of contemporary questions. This decision involved no intention of abandoning more remote and fundamental research in favor of that applied wholly to immediate ends. It simply recognized that in research, as in so much human activity, a measure of value is benefit to mankind.'

"In these terms, perhaps no greater benefit to mankind can be envisaged than advance in our capacity to understand ourselves, our society, and the other cultures and nations of the world. Such a capacity, we believe, rests significantly in better methods of analysis. Recognizing the difficulties created by power conflicts and irreconcilable goals of human societies, still the challenge of improving the means and methods of social science analysis offers wide and constructive scope for continued research effort. Facts are to be preferred to guesses, and knowledge to ignorance. More systematic ways of ordering knowledge about human affairs are better than speculation or special pleading. It is upon such obvious common assumptions that the structure of the social sciences is erected. Technicalities and refinements sometimes make these fields appear confusing to the layman. Misunderstandings now and then occur. But the social sciences, as fields of knowledge, point to no particular form of society as ultimate, or any prior set of public policies. These sciences are premised on the faith that logical thought, established facts, and various forms of analysis can contribute to a clearer understanding of human problems. The social sciences provide no complete anwers to any practical problem, but they offer relevant facts and ideas to all who would prefer to see human affairs worked out through reason, through faith in their fellow men, and through methods of persuasion.

"There are various schools of thought within different social science disciplines. There is disagreement and competition in these fields, just as in other walks of life. There are no authoritative groups to say with complete finality: This is economically sound or that is socially valid. But there are more, and less, rigorous methods of analysis and better—and less well-qualified analysts. Some research workers are more objective than others. By keeping the competition keen and free, some win the hard-earned recognition of having achieved a scientific approach to the study of human behavior and social relations.

"The problems of the individual research worker remain of constant concern to the council. No research team is better than its individual members, and no research plan has much meaning beyond the capacity of individuals to carry it through.

"The council has not produced a generalized blueprint for the overall development of the social sciences, nor does it think that it would be desirable to do so.

Rather, it seeks to stimulate inquiries into new fields of knowledge; to discover and encourage social scientists who wish to try to apply new methods to traditional studies; to grasp and further opportunities provided when competent people in widely separated places have similar research interests and the effectiveness of their work may be enhanced through pooling of ideas and experiences. The strategic employment of small funds in such circumstances may be productive of research that otherwise might emerge only at a much later time, or not at all. The council thus serves mainly as a cooperative agency through which individual social scientists voluntarily collaborate to advance the progress of research. The council does not seek to impose upon them a program of its own but seeks to bring into focus and develop their interests and judgments. If the council is defined in terms of its work, its effort is concentrated not in its offices in New York and Washington but in the colleges and universities where a new generation of social scientists is being trained and where persons associated with council committees and other activities of the council engage in research."

Mr. HERRING. I think if it suits your pleasure, the most helpful thing I could do perhaps would be to say something about the council and try to get some factual material before you that would give a clear understanding of what it is we are doing.

The CHAIRMAN. Mr. Koch, did you have some questions?

Mr. KOCH. You just continue making whatever oral statements you wish.

Mr. HERRING. Mr. Chairman, I will go right ahead, but let me say that I would be very happy indeed if any member of the committee or of counsel would like to ask any questions. Because what I have here are just rough notes. So I will go ahead, and if there is any point you would like elaborated, or any question you would like to ask, I hope you will do so.

Well, I assume that you have read or browsed through this statement about the nature and purposes of the Social Science Research Council. I don't want to repeat material. But I have identified a few points that I would like to bring to your attention.

In preparing for this hearing, I read somewhat more of our past records that I had, and I came across a very interesting statement by Wesley Mitchell in the first council printed report. It is just a paragraph, and I would like to read it, because I think it is illuminating.

In this first printed report, the following statement is made:

For those unfamiliar with the Social Science Research Council the following statement of its genesis, aims, and organization is set down.

As man's study of his physical and institutional surroundings has become more intensive, the confortable wholeness of his earlier world has distintegrated. We no longer have natural philosophers who take all human knowledge as their province. They have given place to troops of specialists, whose achievements are unquestioned, but who are painfully aware of how small a fraction any individual knows of what mankind has learned. Men who know more and more about less and less are pushing forward to refined researches of today at every point along the deploying line of scientific advance. But even as a device for gaining more knowledge, specialization is acknowledged to have its drawbacks. We are in danger of distorting our vision, when we wrench a section of the world loose from its context to facilitate its intensive scrutiny. We risk waste effort when we use our narrowly limited individual resources in attacking problems that might yield to joint endeavors. The mathematical, physical, and biological sciences were first in this country to organize in an effort to see their problems whole and to facilitate an organization among specialists concerned with clusters of problems. But shortly after the National Research Council was formed—that is, for the natural sciences, several representatives of political science, economics, sociology, and statistics came together for a similar purpose.

Out of this informal beginning, the Social Science Research Council developed in 1923. It was presently strengthened and broadened by the accession of psychologists, anthropologists, and historians.

The interesting thing that I want to emphasize here is that this objective that I have just read, this statement of objective, reflects the initiative of a group of leading social scientists. They had a sense of need, this high specialization developing. There are things that we share. We need some way of getting away and talking shop. How can we get a better grasp of these problems? Here is a man working as a specialist on a university faculty. The specialist who would know most about his field might be 100 miles or 500 miles across the continent. Isn't there some way in which we can get together and talk about the common problems we share as specialists in these fields? Well, it was that sense of need that brought this organization into existence.

The first point, then, that I want to emphasize, is that that is where the initiative came from.

The second point I want to emphasize is the consistent attention that the council has maintained to its objective.

Now, a little documentary quote on that is found in our decennial report. In 1933, we published a somewhat smaller report on the completion of the first 10 years. And the director, in that report, repeats:

> The council is confident of the validity of its objectives of better and more broadly trained personnel, the improvement of research materials, of the development of research methods over the social field as an integrated whole.

This consistent interest in better training, helping able people to develop, better data, a lot of technical problems there of how to get at the facts, better methods, what to do with the facts after you get them—it is that kind of thing; and I can certainly sympathize with perhaps the difficulty in the great array of organizations over the country, of knowing, "Well, now, just what is this organization concerned with?"

It has a unique interest in the advancement of research in these particular fields. And there are a great many technical problems there, of how to get at this subject matter more adequately.

Well, that is one point. Another point I would like to emphasize about the organization is that in an organization of this character you need to try to maintain, be aware of the importance of, continuity, stability, on the one hand, and rotation of membership on the other. How can you be sure that the organization is pursuing its ends? Well, you can only be sensitive to the problem.

But some of the questions that were raised as a result of this investigation prompted me to look at the record a bit here and see just what the story is so far as the membership of our board of directors is concerned.

Over the last 30 years, we have had about 160 members or 159 members on the board of directors, and at the present time only 4 members of the board have served more than 6 years and only 11 more than 3 years. But if you work out a little chart—1 term, 2 terms, 3 terms or more of this membership—you will find that about half of them served for 1 term and about 40 out of the 160 served for 2 terms, and about 20 served for 3 terms. I just mention that to indicate the problem of rotation and the problem of continuity of attention.

Well, now, I can go on with further exposition about the organization. If you would like to have me present to you information about the selection of this board, I can do so.

Mr. KOCH. Why don't you do that? And also name the constituent members, will you please?

Mr. HERRING. Well, the board of the council is composed of 30 individuals. We have seven associations that designate, from panels that we submit to them, their selection for membership on our board, and those associations are the American Anthropological Association, the American Economic Association, the American Historical Association, the American Political Science Association, the American Psychological Association, the American Sociological Society, the American Statistical Association. And then we have 8 members at large, and I am a member of the board, so that brings it up to 30 individuals. These members from the associations are appointed or designated for terms of 3 years, so that we have a new designation or reappointment each year.

Mr. KOCH. When you said a panel—how many names are on the panel?

Mr. HERRING. There have to be three names, under our bylaws, and our practice is always to discuss this matter, and frequently there is quite a roster of names.

The important thing to keep in mind here is that here is an organization that is meaningful if you have people serving on the board who are interested in what we are doing, and who are interested in the advancement of research and who are working on research rather than other things. And therefore we have on these panels the names of people any one of whom would have an interest in the sort of thing we are trying to do. It is pretty obvious that you would not want to put on the panel the names of people who were interested in something else. And this system has been in effect now since 1935, and until some questions were raised here about it we never gave it a second thought. It is a system that has proved quite workable and satisfactory to all concerned.

Mr. WORMSER. Why don't you permit the societies, the constituent societies, to determine their own representatives? Aren't they aware of what the special purposes of your organization are?

Mr. HERRING. Well, that is a perfectly reasonable question, Mr. Wormser. There are all sorts of ways in which this thing could be done. I gather from some of the men who were around at the time that it was suggested a good many years ago that this organization ought to handle its members on some other basis.

Mr. WORMSER. It was suggested that a panel would be named from which you could get the particular type of representative wanted.

Mr. HERRING. We want the type who can give some time and thought to the sort of work we are doing, and who has research interests rather than interests of some other kind. And every now and then somebody may serve on the board who is more interested in other things.

Mr. WORMSER. Well, the suggestion has been made specifically that you are interested particularly in not getting professors, let us say, who might be more of the rational school than the empirical.

Mr. HERRING. Well, you present that as a problem. It has not been a problem, in my experience. I have not been aware of that as a problem. And there is the freest interchange of opinion and discussion about these matters.

Well, I think one way of getting before the committee fairly graphically, perhaps, the sort of thing we do would be to say to you first

that this board of directors meets twice a year. They review the program. We have discussion on research problems. And our day-to-day work is conducted through committees. We have about 30 committees that are quite active, and these committees are set up to consider problems where we think there is some research significance.

Mr. HAYS. What sort of questions do these committees consider?

Mr. HERRING. I have here before me types of questions considered by my committees, because I thought that would be the most down-to-earth way of getting at it. I will just sample this and offer for the record a fuller statement, so that you can get the thing in that fashion.

Let us take, for example, agricultural economics. We have a committee on agricultural economics. And the membership of this committee is made up of agricultural economists in this instance over the country, who are interested in doing a better job in that particular field. The common practice in the organization is that whatever member of our board is interested in whatever committee would determine whether or not he would serve on it.

Agricultural economics, then, was in response to the opinion expressed over the country, particularly in our land-grant colleges and other institutions where good work in agricultural economics is going forward, that there be an opportunity provided for reexamining some of the assumptions underlying research in the agricultural field, and for critically restudying the research methods used by agricultural economists. So we brought together 20 of the younger outstanding men in the field for a 2-day conference last January. They talked shop for 2 days, and on the basis of their recommendations we set up a committee which is currently concerned with two jobs: a critical, fresh look at past research on low-income farms and farming areas—its report is still in preparation—and an attempt was made also to bring together the thinking of a larger number of experts on the usefulness of various types of research, with particular emphasis on finding the advantages of relatively simple methods over more intricate ones for the analysis of agricultural problems.

What I am trying to emphasize here is that these men were approaching the problem essentially as technicians, and they wanted to see how they could improve the methods of analysis. I do not know whether I need to emphasize that greatly, but we are not interested in talking about: what should agricultural policy be? This group is talking about how to use better methods for doing further research, knowing what has already been done.

Mr. HAYS. In other words, they would not be very helpful to Mr. Benson in his present dilemma.

Mr. HERRING. That is right.

Mr. GOODWIN. What do you mean, "dilemma"?

Mr. HAYS. Mr. Goodwin, the only thing I think I could say charitably is that if you had some farmers in your district you would know what his dilemma is. I am very keenly aware of it. His dilemma is either finding a reasonable solution to the farm problem, or finding a new job.

Mr. GOODWIN. I am sorry I started it.

Mr. HERRING. I will offer you one or two other illustrations. Here is a committee. I sat in on a few of its meetings. It is a committee on economic growth. This committee brings together several economists, sociologists, and anthropologists to find how and under what

conditions economic systems grow. These include not only what are thought of as purely economic factors, but also the customs and traditions and attitudes of people. We know that some parts of the world have grown more rapidly economically than others, and this group is interested in the questions: Why? Why is that? What is economic growth? Can you measure it? Can you identify it, even? What are we talking about?

One of the first problems is really to figure out how you can talk about some of these matters.

Now, in the case of economic growth, there are not only the economic factors of capital and so on, and credit, and whatnot, but there are problems that involve motivation. Some peoples in some parts of the world just seem to like to work harder than other peoples in other parts of the world. Is there any way of better understanding these motivational factors? In some parts of the world people put their money in a hole in the ground. In others, they put it in the stock market. What can you find out about the readiness of people to invest? What do they do with their savings? That may suggest, in a very crude way, the kind of concerns this group is interested in. And I will say this, that where they can find any statistical data on this, they have a hard look at it, a very hard look. Because the statisticians on that committee want to know whether these statistics are any good or not. And if you want criticism of statistics, I can refer you to some statisticians who are the most critical minded people when it comes to the quantitative approach.

Mr. HAYS. I might ask you, right at that point: Is the council interested in the individual, the so-called lone-wolf type of research, that we have heard referred to here?

Mr. HERRING. Well, we are very much interested in that. And if I have given you an adequate enough indication of the kinds of questions, I will just offer you this memo of illustrative questions.

Mr. GOODWIN (presiding). In the absence of objection, it will be admitted.

The Chair hears no objection.

(The material referred to is as follows:)

TYPES OF QUESTIONS CONSIDERED BY SSRC COMMITTEES

Agricultural economics.—For 2 or 3 years various agricultural economists at State colleges and elsewhere urged that the council provide an opportunity for reexamining some of the assumptions underlying research in the agricultural field and for critically restudying the research methods commonly used by agricultural economists. We brought together about 20 of the younger outstanding men in the field for a 2-day conference a year ago last January. On the basis of their recommendations we set up a committee which is currently concerned with two jobs:

(*a*) A critical fresh look at past research on low-income farms and farming areas. Its report is still in preparation but it will, we understand, for instance, question whether a failure to study closely enough the existing statistics of agriculture and of income has not exaggerated the extent to which low-income farms really exist.

(*b*) An attempt to draw together the thinking of a large number of experts on the usefulness of this or that type of research of a variety of research methods, with a particular interest in pointing out wherever possible the advantages of relatively simple methods over more intricate ones.

Business enterprise research.—Because psychologists and sociologists as well as economists are turning to what they view as a more realistic view of the business enterprise as an integral and essential part of the American system, it seemed useful just a year ago to bring together a number of those most interested

for a preliminary conference. On the basis of that conference's discussion, we set up a committee which is now in process of a critical stocktaking of the work heretofore done by economists and others on the business enterprise, in the hope that more significant and constructive directions for future work can be suggested. (It should be unnecessary to point this out, but the committee's discussions have involved neither Marxism nor economic determinism, and instead are concerned with promoting a better general understanding of the nature of and contributions of American business enterprises.)

ECONOMIC GROWTH

This committee brings together several economists, a sociologist, and an anthropologist in an effort to devise ways of better understanding how, and under what conditions, economic systems grow. These conditions include not only what are usually thought of as purely economic factors such as capital, raw materials, and the like, but also the customs, traditions, and attitudes of the people. The American tradition of free enterprise developed and flourished under conditions of rapid economic growth. If it is to continue to flourish, or if economic progress is to be fostered in so-called underdeveloped places, there is need for more adequate knowledge of the complex factors which produce growth in some situations and stagnation or decline in others, and for understanding of the reasons why industrialization has taken root readily in some environments and failed to do so in others. There is even need for an acceptable method of measuring economic growth, whereby meaningful comparisons can be made between different economies. The committee, needless to say, does not presume that it will finally solve these problems; it serves to focus the interests and pool the experience of scholars in many places who are working on these problems.

Historiography.—This is a committee of historians who believe that their profession may be able to sharpen its insights and to make more significant interpretations of historical events by drawing upon the skills and knowledge developed by other social disciplines. It is engaged in preparing a book for historians, describing possible applications of the methods and data of such disciplines as economics, political science, and sociology.

Identification of talent.—In view of the large sums devoted to scholarships and fellowships for the education of youths who may become leaders of future generations, it would be obviously desirable to be able to identify more confidently than is now possible those boys and girls who possess in undeveloped form the talents requisite for high-grade leadership. Already much progress has been made in developing tests of intelligence which indicate with considerable reliability a pupil's capacity for higher academic study, but it is a matter of common knowledge that leadership in business, government, and civic affairs calls for traits of personality other than the ability to make high grades in school. The committee on identification of talent is sponsoring several research projects on particular aspects of the broader problem of identifying at, say, high-school age, boys or girls who may be capable, with suitable education, of becoming business leaders or statesmen. It is characteristic of the scientific approach to such a problem that the problem must first be analyzed into smaller underlying problems which can be effectively studied by scientific methods. A headlong attack on the problem as a whole would be premature at this stage. Thus, for example, one investigator sponsored by the committee is making intensive studies of high-school boys of equal scholastic standing but from different social backgrounds, in an effort to discern why some of them aspire to higher goals than others; another investigator is attempting, by observing the behavior of participants in a community organization, to define more precisely a trait of leadership which he calls social sensitivity—the ability of a leader, so to speak, to sense the unspoken feelings of members of his group. Out of the results of such limited but carefully controlled observations it is to be hoped that gradually a more adequate solution of the complex practical question of identifying undeveloped talent can be achieved.

Mathematical training of social scientists.—The field of interest of this committee is clearly indicated by its name. Its major projects thus far have been a seminar in which a group of mathematicians and social scientists devoted the summer of 1952 to preparation of teaching materials adapted to use in courses for social-science students, and a summer institute in 1953, at which about 40 social-science teachers and graduate students received intensive instruction in certain mathematical subjects. Not all branches of social science make use of mathematical principles and methods, but their use is steadily growing, and there is consequently an increasing need for mathematical instruction by which social

scientists can gain useful competence in specific areas of mathematics without devoting years to curricula which are traditionally prescribed for professional mathematicians.

Measurement of opinion, attitudes, and consumer wants.—This committee exemplifies the council's role as a meeting place for research workers who have common interests and problems but are separated geographically or by their different vocations and educational backgrounds. The committee, when it was organized in 1945, brought together for the first time leaders in the use of opinion and attitude surveys (polls, as they are popularly known) in governmental, commercial, and academic organizations. While interested in different kinds of subject matter, the members of the committee recognized many common problems of method. All were interested in methods whereby the opinions and attitudes of groups of people can be efficiently and economically ascertained, and how to avoid the pitfalls which beset early ventures in public opinion polling. Three major research projects were sponsored, touching on such matters as the reliability of data obtained by questioning small samples of individuals, and the kinds of bias which may be introduced by the interviewer who asks the questions. When the final reports of all of these studies are completed and reviewed, it is expected that the committee will be discharged in accordance with the council's usual policy of maintaining each research planning committee only so long as it appears to provide the most effective means of advancing research. The frontiers of research are continually shifting, and each new forward thrust calls for some special combination of skills, interests, and experience. When the Committee on Measurement of Opinion was established, it was almost alone in the field; subsequently, two major professional associations have come into being, which can be expected to serve on a wider scale many of the purposes for which the council's group was set up.

Migration differentials.—About 15 years ago, the council issued a bulletin on research on the migration of population. The present committee was established in 1950 to review again the status of research on this subject, which is of great timely importance in view of the tremendous volume of migration during and following World War II. The committee, following a typical pattern of council activity, is preparing a volume which will not only review and assess the significance of previous studies of migration but also point to gaps in existing knowledge of the subject which need to be filled if the causes and effects of movement of people from place to place are to be understood. The committee is interesting itself not merely in how many people have moved whence and whither, but also in the factors which prompt people to move, the kinds of persons who move as compared with those who reside permanently in one place, and the social and economic consequences of this continual reassortment of people in different communities. Do people, for instance, move from their homes because business is poor where they are, or simply because they hope to achieve greater satisfactions elsewhere? Is the average migrant a restlessly energetic person, or a ne'er-do-well who drifts about in the vain hope of finding easy success somewhere?

Labor market research.—This committee in the past 2 or 3 years has conducted a highly significant research experiment in carrying through a major study of labor mobility in 6 cities through the entirely voluntary cooperation of research men and institutes in 7 different universities. It has, at the same time, sponsored an entirely independent and critical study of the research which its members and others have done on labor mobility, to ascertain what has and what has not been proven, to raise questions about the research methods used, and to suggest recommendations about future more efficient work in this field. The results of this appraisal are being published this summer as a typical number in the council's series of research bulletins, and the results of the first project are also currently being made available.

Scaling theory and methods.—This committee addresses itself to the highly technical problem of devising methods by which the statements which people make in everyday language about their opinions and attitudes can be translated in quantitative terms. For example, if a number of persons are asked to state their opinions on some public issue, their responses may range all the way from strong approval, through indifference, to strong disapproval. In an election, the voters may be required simply to vote "yes" or "no," but a social scientist seeking to understand their attitudes needs some means of comparing the infinitely variable degrees or shades of opinion which lie between these extremes. "Scaling" is the term applied to what might loosely be called "measuring" such differences. It involves the use of various methods which are still in an experimental

stage. The committee, like many other council committees in other fields, is critically reviewing the results thus far obtained, and endeavoring to encourage research workers to make needed improvements in the "tools" which they use.

Mr. HERRING. I am delighted to turn to some discussion of our concern with the individual and what we have done to encourage individual research. It is a topic that I find particularly congenial.

Mr. KOCH. Mr. Herring, unless you were coming to it later, maybe it is more curiosity on my part, but could you tell us from whom you get your money, and roughly how much that is? Could you show what other organizations support you? In other words, you get moneys not only presumably from the seven constituent members, but also from some of the foundations. If you were going into that later, that is all right.

Mr. HERRING. I will come to that. I would like to answer the Congressman's question first.

I think it would be most informing perhaps if I could give you a picture of what our activities were and then talk about the logistics.

Mr. KOCH. All right.

Mr. HERRING. Well, the aid to the individual through the fellowship program, I suppose, is the most direct thing, the one that first comes to mind. For many years, we have had grants from foundations to administer in order to appoint people to fellowships.

Mrs. PROST. Right there, Dr. Herring: What procedure do you follow in granting fellowships?

Mr. HERRING. Well, in the first place, these programs are national competitions, and therefore it is exceedingly important to get the word around that there are fellowships available.

So over the years we have developed ways of bringing the announcement to the attention of possible candidates over the country. We have bulletins that we send out and put on the bulletin boards of the universities and colleges, and we send leaflets by mail. In 1953 about 4,600 copies were distributed in the initial mailing and many hundreds more were later sent in response to inquiries. The initial mailing list includes the heads of all accredited universities and 4-year colleges in the United States and leading institutions in colleges, graduate school deans, heads of social science research organizations, some fifteen hundred or more indivdual scholars believed to be interested. That is a mail distribution of announcements. Then we send a covering letter that urges the recipients of the letter to call the offerings to the attention of their colleagues and students. An announcement is published in the council's quarterly publication, that has a circulation of 5,100 copies among our educational institutions. And an advance release of the announcement is sent to the interested professional societies, suggesting that it be published in their journals. So that is a way of bringing it to the attention of at least 40,000 people with especial interest in this field.

The persons apparently eligible to file applications are furnished appropriate forms. The applicants give the names of references. We carry on extensive correspondence with professors and others who know these people. And then members of our staff travel over the country and interview as many of the applicants as they possibly can

So we go into this very systematically, very carefully, and for each fellowship program that we have—and the ones that we have vary over the years—we have special committees set up. These committees are

composed of people from the universities and colleges, and we try to get in the committee the array of knowledge that would enable the members of the committee to pass on the qualifications of the scores of applicants that they have to consider.

Mr. HAYS. So you do, then, pay considerable attention to the individual or lone-wolf type?

Mr. HERRING. As for our interest, we have at the present time, I am happy to say, a fellowship program that enables us to give some attention to some men in their undergraduate work, and then we have predoctoral, postdoctoral, and we have our faculty award fellowship program. That is designed for a few people further along.

Now, I think it is important to get before you again some sense of proportion about all this. This is a big country, and there are hundreds and hundreds of educational institutions. We appoint something under 150 people, counting all of our fellowship programs at the present time, and we have more annually, and we have about five fellowship programs at the present time. In other words, under 1 of these programs we would appoint 30 people. You can imagine, then, that the competition is keen.

Mr. KOCH. On that point, Mr. Herring, do they have a uniform examination, or does each one present a thesis, or something? Just what does the committee have before it in making their selection? Just how hard is it to weed them down to those 30? That is what I want to know.

Mr. HERRING. If the committee would be interested, I can file with you the forms that we use. We have them here, and you can look at them. But essentially what we are getting at is the man's academic record. We give particular attention to his plan for study. We want to know what he would like to do under this program. We get a very good line on his ability and his record from the people with whom he has been working. I would say that the question would be what the stage of the man is, what training would be most helpful. If it is predoctoral, then he has completed the preliminary requirements for the doctorate. What additional training would be helpful there? The criteria are broad and flexible. We are trying to find people of promise and ability, men who have some imagination and have an idea that they want to pursue. We were interested essentially in finding able people who have a dedicated interest in carrying forward their research.

Mr. KOCH. What I am getting at is: Do they submit any essay from which you determine that they have imagination, or is it more from their background record?

Mr. HERRING. No, whatever their publication record may be, or some manuscript they might want to offer.

Mr. KOCH. There is no uniform material that you distribute among all of the applicants, is there?

Mr. HERRING. It is a very uniform picture. We get all the tangible evidence we can and the committees read the writings and so on.

Mr. HAYS. Dr. Herring, there has been frequent complaint from previous witnesses, and apparently it is a complaint that a good deal of cognizance has been taken of by those reporting on these hearings, that these previous witnesses have made this complaint over and over

again. In fact, there was even an editorial in the June 11 edition of the Chicago Daily News, in which they say, and I quote:

Frequent complaint against the foundations is that they have been more generous to the liberal viewpoint than to the conservative.

If you have followed these hearings or have read any of the transcripts, you will know that that has been made here. Would you care to comment on that at all?

Mr. HERRING. Well, my comment would be that what we are interested in is the man's ability, his growth potential, his training in his field; and what his personal political views are or whether he is to the left or the right is just something that isn't relevant to this sort of consideration.

Mr. HAYS. Well, the editorial goes on and gives their solution, which I wish were original with me. I love this phrase, but I have to give credit where credit is due. I wish I thought it up. They say: "Perhaps the only way the foundations could overcome conservative objections to this would be to label such studies as research into 'psychoceramics'; in simpler English, the study of crackpots." They feel there are specimens in both camps.

You don't have to comment on that. I really don't think it needs any. It sums up my feeling. In other words, as I see it, the kind of people you are looking for are people who are going forward into new fields, not reworking fields that have already been plowed.

Mr. HERRING. And in the fields of their professional competence and development. It is within the context of their professional growth and development that we approach these things.

I don't want to forget Mrs. Pfost's question, and if I may, I will offer for the record a 2½-page description of the procedure followed in the administration of these fellowships, which might be useful.

(The material referred to is as follows:)

The following procedures are involved in the administration of fellowships and grants-in-aid of research by the Social Science Research Council.

1. In the early autumn of each year offerings of awards for the ensuing year are publicly announced through several channels. The published announcement briefly describes each type of award and the eligibility requirements for candidates, and sets a closing date (early in January) for acceptance of applications. It is explained that later applications will be considered only if time permits after prior attention is given to those filed on time.

(*a*) Leaflets are widely distributed by mail. In 1953 about 4,600 copies were distributed in the initial mailing, and many hundreds more were later sent in response to inquiries. The initial mailing list includes the heads of all accredited universities and 4-year colleges in the United States and leading institutions in Canada; chairmen of social science departments in the larger institutions; graduate school deans; heads of social science research organizations and institutes; and some 1,500 or more individual scholars believed to be interested.

A covering letter urges recipients to call the offerings to the attention of their colleagues and students.

(*b*) An announcement is published in the council's quarterly publication, Social Science Research Council Items, which has a circulation at present of about 5,100 copies.

(*c*) An advance release of the announcement is sent to the interested professional societies suggesting that it be published in their journals.

2. Persons apparently eligible to file applications under the announced terms of the fellowship and grant programs are furnished appropriate application blanks at their request. The council staff routinely declines to furnish blanks to persons who clearly do not meet the announced objective requirements with respect to age, previous education, permanent residence in the United States or Canada, and the nature of the project or study for which aid is sought; but the

staff does not refuse to accept applications from candidates who are technically eligible, even though they appear to be unlikely to receive awards.

3. Applicants are invited to name sponsors from whom letters of recommendation can be had (three in the case of most types of awards). In addition, the council staff frequently solicits written reports from other scholars whom it believes to be qualified to offer informed and honest judgment. The form used for references on fellowship applicants includes questions concerning both the applicant's character and his qualifications as a social scientist.

4. Between the closing date for filing applications and the time of meetings of the selection committees in March, an effort is made to arrange an interview with a member of the council staff with each candidate for a research training or faculty research fellowship who is not so obviously unqualified that favorable committee action is out of the question, or so far away that the time and expense required would be prohibitive.

In 1954 about 90 percent of all applicants for these 2 types of awards were interviewed. Applicants for undergraduate research stipends or for grants-in-aid of research (both of which involve much smaller sums than the fellowships) are not routinely interviewed by the staff, but the procedures are similar in other respects. When traveling throughout the country to interview candidates, staff members endeavor also to secure from teachers and associates of the applicants such additional insight as can be gained into their qualifications and personal characteristics. It is our experience that more incisive appraisals are often made in these conversations than in written communications. Long-distance telephone calls to mutually acquainted scholars of known insight and judgment often add significantly to our information about candidates.

5. In the case of applicants who have not completed their formal education, official transcripts of college and university records are required. Under the faculty fellowship and grant-in-aid programs, candidates are routinely asked to submit specimens of their publications or writings for scrutiny by the committees; the same is done under the other programs in individual cases in which such further evidence seems desirable.

6. About 2 weeks before the meeting of each fellowship or grant committee copies of applications and letters of reference are sent to each committee member for study. When large numbers of applications must be acted upon by a single committee, it has been our practice to distribute in advance copies of clearly inferior applications to 1 or 2 committee members rather than to all. This is done in such a way, however, that the member or members receiving such applications are not aware that they are the only readers and are therefore not prejudiced by the staff's action. Unless the committee member or members reading these applications immediately recommend their rejection, copies are made available for review by the whole committee.

7. Each committee meets for 1 or 2 days, depending on the volume of work to be done. Each application is taken up and voted upon after as much discussion as appears necessary. Usually a substantial proportion of applications are quickly rejected by unanimous consent on a first reading of the names in alphabetical order.

Members of the council staff who have interviewed candidates attend the committee meetings and are called upon to supplement by their comments the documentary materials. (In a minority of cases someone other than a member of the Washington office staff of the council interviews candidates in remote parts of the country but cannot attend the committee meetings. His comments are submitted in written form.) It can be said that committee members have, almost without exception, conscientiously studied the documents before coming to meetings; and that proceedings of the committees are in no sense a perfunctory ratification of selections made by the staff. In fact, it is a well established and frequently reiterated policy that the staff shall not attempt to prejudge the committee's decisions.

8. As quickly as possible after each committee meeting each candidate is notified by mail of the action taken. If an award has been recommended, the conditions governing tenure are enclosed, and must be agreed to in writing before the award may become effective.

9. Shortly after each meeting minutes are circulated to all committee members and to the president of the council.

Mr. WORMSER. You do, then, consider the project offered by the applicant without regard to the man himself. In other words, you

might find an exceptionally able candidate and yet turn him down because of the project which he suggests.

Mr. HERRING. I wouldn't say that at all, no.

Mr. WORMSER. No, I am asking you that.

Mr. HERRING. Well, we are interested in the man and his promise and the way he goes about his planning of his own research, and I would say that his plan for study is a very important indication of his competence as a potential research man, as to what is researchable and what further training he needs. But I would not use the term "projects" in this context, because this is not the financing of projects. It is the financing of men and women, individuals.

Mr. WORMSER. Mr. Herring, I don't mean to be obscure in any of my questions, and my reason for asking that is again the criticism that has been made, that has various facets, that an organization of your kind does to a certain extent exercise control over the direction of research. Now, if you had an exceptionally able man, would you turn him down merely because you did not like the nature of the project which he suggested? Or would you perhaps try to turn him to another type of program?

Mr. HERRING. As I say, the judgment is on the man and his development. And if you want a pointblank answer to the question, "Would we turn a man down because we don't like his project?" I would say "No." The answer isn't a particular project. The only way I can answer your question responsively, Mr. Wormser, is to say we are interested in the individual and his growth and his training and how he can become a better worker in his professional field.

Mr. WORMSER. He suggests the subject for research. And you may think that is an entirely inadequate or impossible or useless piece of investigation. What do you do in a case like that, where he is an awfully good man?

Mr. HERRING. Well, in a case of that sort, you see, there is really an internal contradiction there. If he is an awfully good man and has an awfully bad subject, I don't see how he could be an awfully good man.

Mr. WORMSER. You may think it is awfully bad.

Mr. HAYS. Well, Mr. Wormser, we are getting back to thought control there, are we not? You cannot sit here and pick out any witness's thoughts as to good or bad. There has to be some standard.

The CHAIRMAN. As I understand it, Mr. Wormser, if you will permit me to clarify the question, from the brief time that I have had an opportunity to assimilate it, we have a very good man, recognized as capable. He comes up with a project. There might be a difference of opinion about the project. He thinks it is good. Another good man, Mr. Herring, would not think it a good project. There is a difference of opinion. Does Mr. Herring's view with reference to the desirability of the research project prevail, or that of the man who initiated it?

Mr. WORMSER. Merely to pinpoint what I meant: Is the emphasis upon the man or upon the subject?

Mr. HAYS. Of course. But you are getting into a field where I don't think anyone can give you a specific answer to a general question. Suppose someone came up with a project to do research into the fertility of ostrich eggs.

Mr. KOCH. But you may exercise thought control by refusing to let him go ahead with it.

Mr. HAYS. You can tell him to go ahead with it if he can find somebody to finance it, but you do not happen to feel you should. I think you have to have some responsibility as to how you hand out this money. Or else if you want us to pass a law saying you have to give the money to the first 150 applicants who come in, that is about the only other way you could do it.

Mr. WORMSER. I want to explain my question. I am just interested in the methods you used. I am not trying to attach any significance to them.

Mr. HERRING. I would like to spend all the time on this that you will permit, because I think it is important to clarify it. We are talking now about fellowships. And in the administration of fellowships, we have committees of men drawn from universities who are competent to deal with the fields under consideration. So it is a committee judgment. That is one thing.

Secondly, we are thinking of young men and women in their professional training. We are not thinking of projects. So we want to know what the previous academic record has been, what further training is needed, and what research interests the man has. So that we are not pasisng judgment on whether this project or another is good in the abstract. We are looking at the man's interest, and we want to see what will help him most.

Now, I will tell you one proposal of a candidate that rather attracted my attention. As I say, I don't sit on these committees, but I was rather interested in this, as a human interest facet. We heard of a young chap at the University of Texas who had thumbed his way to the eastern seaboard because he wanted to look at some of the records that Charles Beard had looked at when he wrote his Economic Interpretation of the Constitution. And we were interested in this young man as a research man. He got a fellowship. But what impressed me there was the eagerness and the zest and the energy of this chap, who was thumbing his way to archives. I have heard of people thumbing their way to various people, but the picture of a young fellow thumbing his way to the archives in order to have a look at the record, I thought was a rather interesting picture.

Well, now, may I go back to this interest in the individual? Because fellowship is one thing, and it is a long story. We have directory of fellowships that we can offer as an exhibit, giving you the record of the over 1,200 people over the years who have had these fellowships, But mark you, that is a 30-year period. So that keeping the sense of proportion again, this organization is dealing with a very small number. I could not give you the total number of graduate students in the United States in these fields. I tried to get it, but we are not sufficiently organized here from the national standpoint even to have figures of that sort.

But there are other ways of helping the individual. For many years we have had a very modest grant-in-aid program, $25,000; up to date, that has been the size of that sum, and we have a little bit more for next year.

Grants-in-aid to help people complete some work engaged in are allocated by a committee, again, of competent scholars, and they do the best they can in dividing up $25,000 in $500 or $1,000 grants.

So you can see how far that money goes. We really need more money for that sort of thing; and we have a bit more money for next year, and I hope I can scratch around, and I hope we can find some more foundations for this grant-in-aid, because it is very helpful indeed to get that few hundred dollars to do the final typing or consult the documents or get the manuscript ready for publication.

Now, within the last few years we have had summer seminars. The idea there is to find out whether there are a number of people, younger men again, who have some common research interests. They want to improve some method, or they want to discuss some theory in their field. What normally happens?

Well, the summer recess, as the traditional period when the scholar could do further study and catch up on his reading, and so on, is fading. Economic necessity, balancing the family budget, comes into it, so that more and more you find professors teaching in summer school. Well, now, we have a little grant that enables us to offer to research men who participate in these seminars the equivalent of what they might otherwise get if they taught summer school, a few hundred dollars, and that enables them to work together through the summer and talk through some problem.

Mrs. PFOST. Dr. Herring, why don't the foundations just divide up their money among the universities and colleges of the country and let them spend it, instead of setting about it in this way?

Mr. HERRING. I guess the quick answer to that would be that there isn't enough money. If you took all the colleges and universities, you would have about 1,700 institutions, and it is awfully hard to say with precision just how much foundation money goes into the social sciences, but the best figure I can arrive at by consulting annual reports, and so on, would be: somewhere in the neighborhood of $12 million.

Mr. KOCH. Annually?

Mr. HERRING. Annually, yes. And you would divide $12 million, let us say, by 1,700 institutions, and you would come out at about $7,000 per institution. In other words, you could divide and dissipate. You could escape responsibility. You could say, "Well, we will just leave it to the other fellow and spread it thin." Or you can face up to the difficult decision of saying, "Well, this institution is doing better work, in our judgment, than the other institution."

The CHAIRMAN. But, Doctor, if the idea of working through the established universities, as raised in the question by Mrs. Pfost, should be favorably considered by the foundations, do you think it is logical to conclude that they should adopt purely an empirical attitude and divide it evenly among the 1,700 colleges of the United States? That would not be the method by which they would go about it; would they?

Mr. HAYS. Would you permit me to interject there? If they did not, that would be about the only way in the world they could keep from being investigated at some time in the future by somebody who said they were not dividing it up the way it ought to be. The people who did not get it would be the people complaining; would they not?

The CHAIRMAN. They have made substantial grants for buildings and for the general funds of educational institutions.

Mr. HAYS. But $7,000 a year would not build a Chic Sale for them at today's prices.

The CHAIRMAN. But, in the first place, when they make a grant to a college or university, that institution has to meet certain requirements, as I understand it, that show that it is in a position to utilize the money advantageously.

Mr. HERRING. Mr. Chairman, that is where the money goes. It goes to universities and colleges. But some foundations have to make responsible decisions as to which ones.

The CHAIRMAN. But do you not think the suggestion is not quite fair, that they would be put in a position where they would have to divide the money between the 1,700 colleges of the United States?

Mr. HERRING. I confess I just offered that by way of emphasis. I concede you would not want to see them do that.

Mr. WORMSER. Do you think your organization is more capable of selecting these desirable fellows than their own universities?

Mr. HERRING. I think the first point to emphasize there, Mr. Wormser, is that, as I recall my days at Harvard, there were more fellowships at one institution there—you know. They had scores of fellowships. I wish we had it here with us. There are so many scholarships and fellowships available through so many organizations and so many requests and endowments over the years that it is a book about that thick. In other words, we have to get this thing in perspective again. There are just scores and scores of ways for able young men to get fellowship and scholarship support; and most of it is through our colleges and universities.

Mr. HAYS. Dr. Herring, right there: The point is that you do not handle all of the fellowships or any major part of them in the social science field; is that not true?

Mr. HERRING. That is right.

Mr. HAYS. You handle a very minute number, and various colleges and universities have some of their own, and the foundations perhaps make some directly. I don't know.

Mr. HERRING. That is right. The foundations would make a grant to an institution, perhaps four fellowships. The institutions have an array of scholarships and fellowships. The point I would like to emphasize, that I think might be helpful here, is that our programs in fellowships offer opportunities perhaps to people who are not at some of the institutions that may have larger funds. It is a national competition, whereas the fact is that most young people get their fellowship support from the colleges and universities. And we have a total of around 150 appointees a year for the whole United States.

Now, just put that little corporal's guard in the perspective of the phalanxes of American students, and you can see that it is a very limited thing. I wish we had substantially more. I think it is very important that we do have greater fellowship resources. I think it is rather wasteful when we have twice as many qualified people applying as we can take care of.

The CHAIRMAN. Do you have any other questions?

Mr. KOCH. You were going to continue, Mr. Herring.

Mr. HERRING. I am still hammering away at helping the individual through fellowships.

Mr. GOODWIN. Do you ever have to meet the criticism that favoritism is shown? If some bright young fellow gets an award, and somebody discovers that he is a nephew of Dr. Black at Ivy College,

who holds down the Chair of Sociology, and somebody says, "Uncle William may have put in a word for him"?

Mr. HERRING. No, sir, I can't think of any such cases.

Mr. GOODWIN. You keep very clear of that, do you?

Mr. HERRING. You see, it is kind of competitive. In this spirit of competition, you have these self-correcting things, you see. You have people on the different committees from these different institutions, and there is a good deal of competition among our various colleges and universities. So you can imagine that Professor Y from Siwash keeps an eye on the situation, and there is a certain competitive element there that is a protection against the kind of dangers you refer to.

Well, there is still another one of these summer programs we are getting under way. That is to present to groups of people who share some interest an opportunity to get a little better research training. We had an experience that was encouraging along that line, in the field of mathematical training, not statistical training but mathematical training. And we had a seminar, a training institute, if you will, that brought together 40 or more people. And the summer was spent in getting a very intensive training in mathematics, so that men could apply that in their work as they saw fit later on.

Now, there may be some other training methods that we can work out, and offer this opportunity for men to spend the summer recess at that sort of thing.

Mrs. PFOST. Dr. Herring, do you concentrate on the so-called empirical research, or the quantitative, to the exclusion of the other kinds?

Mr. HERRING. I could perhaps indicate the range of topics. The answer is "No." We do not. But I would like to develop that thought a bit by giving you some illustrations of the varieties of topics.

And I will say, Mr. Wormser, that here we are talking not about fellowships and the training of the young man as he goes forward, but we are talking about this grant-in-aid program, where people are further along. And it might be of interest to the committee if I just gave you some illustrations of the sorts of things.

Mr. WORMSER. Does your answer "no" apply only to the grants-in-aid, or all these fellowship grants? You said "no," that you do not specialize in empiricism.

Mr. HERRING. That is right. I want to come to this facility research fellowship that has been mentioned. I think you might be interested in some further light on that.

Here is a man at Mount Holyoke: Study of the Influences in Roman Life and Law. Here is a professor at the University of Toledo: Study of the Latin American Philosophy of Law. A man at Northwestern: Preparation of a Revised Edition of a Guide to the Study of Medieval History. Here is a man at Louisiana State University: History of Political Ideas.

Here is a professor of sociology at the University of Notre Dame: Theoretical Study of Ethnic Groups. Another man, at Wells College, Research on the Organiation of Medieval Trade. A man at Oglethorpe: Study of the Conditions of Political Freedom. And so on.

Now, in our annual report each year, we have a list of the topics and names of individuals. It is all spread in the record here, and if I may offer as an exhibit, Mr. Chairman, copies of our annual report, you would find this spelled out in the variety of institutions and so on indicated.

The CHAIRMAN. It will be accepted.

(The Social Science Research Council Annual Report, 1952–53, was filed for the information of the committee.)

Mr. HERRING. Another way the individual is helped is through the conferences that we sponsor from time to time. We had quite an interesting conference at Princeton, a meeting place for some 60 or more people over the country who had some kind of special interest in Africa as an area. And that brought together people who could sit around a big table and say "All right. This is what I am interested in." And they could exchange views that, it seems to me, would fall in this same category of encouragement of the interests of individuals. We have a study Mr. Sibley did of Aid to Individuals. We made a study of the problems there, of getting financial support, and if you would like to have that as an exhibit, that also could be offered for the record.

I have just a seven-line statement that I rather like as expressing the spirit of this thing. It was written back in 1926, but I think it reflects the spirit we try to adhere to.

> Nothing is more certain that that individual insight, flash of genius, brilliant statement of a problem, a patient pursuit of an obscure trail to a great truth, will be an indispensable part of the development of the social sciences if they are to attain the goal toward which we all look. The whole purpose of the council will be lost if we cannot aid those creative spirits, if we cannot provide for them better facilities, if we cannot help them in the discovery and solution of problems.

I just offer that, going back many years, as a statement of the faith that we have that if you can help the individual develop, you have come a long, long way.

Mrs. PFOST. Dr. Herring, right there: How many social scientists would you say there are today? And could you tell us where they are employed?

Mr. HERRING. Well, I could offer you an estimate. If you take the membership of the associations in these fields, it adds up to around 40,000. Now, that figure may err on the large side, because there are some duplications. Some people belong to more than one association. Our chairman belongs to two of the associations, for example, so he would be counted twice in this figure of 40,000. And there are some that belong to the associations but are not actively engaged in the work, though well disposed toward the field, you see, and holding membership.

So with those qualifications, I would say roughly there are probably about 40,000. There are some people, of course, that are active in these fields but don't belong to the association; however, I think that would probably be the exception.

Mr. GOODWIN. At this point, what does social science embrace? I assume it is sociology, philosophy——

Mr. HERRING. Some aspects.

Mr. GOODWIN. Economics——

Mr. HERRING. Economics, yes.

Mr. GOODWIN. Political economy.

Mr. HERRING. That is right. Anthropology, statistics. We feel that the seven associations that I mentioned before are those that are most directly concerned, and then there are others, so that would be economics and political science and anthropology and statistics and psychology and history.

Mr. GOODWIN. I would think history would be more of an exact science. History is a statement of facts, things that happen. On the 16th day of June, the gentleman from Tennessee presided over a hearing of the Banking and Currency Committee. Certain things happened on a certain day. I am curious to know why that comes to sociologists.

Mr. HAYS. It comes in this way, if you will permit me to interject.

Mr. GOODWIN. I would just as soon have your opinion as the doctor's.

Mr. HAYS. I am not trying to be facetious, either.

Mr. GOODWIN. Neither am I.

Mr. HAYS. Ten people witnessed a hearing of the House of Representatives, and all 10 of them write down to the best of their ability what they saw. You might get considerable variation in the historical account of it. And that is why history, although apparently it would be in some phases—I am speaking as one who has done research in it—is not an exact science. You cannot tie down specific dates, everything about it, because some of the individuals who observed or wrote about it saw it one way, and others another way, so there are certain areas that you have to evaluate.

Mr. GOODWIN. I am a little at a loss, here. My few associates have had experience in the teaching field. And if Mrs. Pfost has not, she should have had.

Mr. HAYS. I did not mean to take the answer away from you, Doctor. I would just be interested to see whether you agree generally.

Mr. HERRING. That indicates that it is a subject that not only here but elsewhere one can discuss. As far as we are concerned in the Council, we include history as one of the social sciences, but it also is included as one of the humanities, and I do not think you can draw any precise line. There are historians and historians. Some would be concerned more with the chronicle of dates, and some would be concerned more with efforts of interpretation. But we feel that the time factor is terribly important and the sense of perspective that you get through approaching matters historically. And over the years there have always been historians who have found it congenial to work with their colleagues in other fields. So that we do not treat it as a matter that you settle in either/or fashion. The historian may take up economic history as a special field. Some historians go at matters more in terms of a literary approach, an artistic approach.

Mr. GOODWIN. That brings up one question I had, another one perhaps to expose my ignorance or the fact that I may not have followed closely the prior hearings. But you mentioned in your statement the empirical approach and the rational. Now, you say that the empiricist says, "Look at the record." Now, I can grasp that. I know what that means. Can you put into easy English and into a phrase equally succinct a definition of the rationalist?

Mr. HERRING. Well, Mr. Goodwin, I will try, but I didn't bring the rationalistic approach into this, so I don't think I can qualify too well.

But what I think we are talking about: If you are going back to the rationalistic school of philosphy, and that is how this got in, that was a school of thought that emphasized the capacity of the human reason to grasp reality directly, through ratiocination rather than through sensation. It is a little bit mystical, perhaps, but there was an important school of thought. So most of us sort of compromise on saying, "Experience has been quite a teacher, and we will be as rational as we can, but we won't worry ourselves about a philosophy of knowledge that gets into these intricacies."

Now, that is really something for the seminar room rather than for this hearing room, I suppose.

Mr. WORMSER. Could I interject something there? Because this may help Mr. Goodwin. In the sense that empiricism has been used here, we have been using it in relation to research.

Is it not essentially and plainly the inductive method as against the deductive method? And before you answer, I want to make one statement in regard to your statement, in which I think you rather gave the impression that the staff or Mr. Dodd or someone connected with the committee meant to derogate empiricism as a method of inquiry. I want to assure you that the staff is fully aware that empiricism is not only desirable but a necessary component of scientific research. We quite realize that. Our only concern in that area is whether there has been an excess, in the sense that empirical studies which did not take into account what you might speak of as some of the premises in a sound syllogism. But to illuminate Mr. Goodwin further, aren't we talking about primarily research methods? And there, isn't it induction against deduction?

Mr. HERRING. I tried to develop that in my statement. I don't think I would agree with that. I tried to spell it out in the statement. I think that would be an oversimplification.

Mr. WORMSER. An oversimplification?

Mr. HERRING. Well, I don't see quite, Mr. Chairman—pardon my saying so, but there is a question that Mrs. Pfost raised some time ago, and I haven's gotten through with it. We are getting over to philosophy of knowledge, and she was saying, "Where are these people living?"

You remember, she said, "Where are these social scientists, and where are they employed?"

So, if I may go back to that original question, I would like to do so.

Well, they are employed in our universities and colleges in teaching, and we may think of that first. But I want to emphasize that while you cannot say with precision just what percentage are employed outside of our universities, I think it would be reasonably accurate to say about 40 percent of these people are engaged in activities where they apply their training as social scientists not in the classroom but in the market place. They are employed by business, in market analysis. They are employed by Government, and a whole host of agencies where economic analysis and other forms of analyses are necessary. So I do not want you to think of this group as strictly a professional group. They are engaged in many businesses and public agencies.

The CHAIRMAN. If I might interject, with reference to procedure, it is now 4 o'clock, and some members of the committee have some engagements, and some work has to be done in the offices.

Mr. KOCH. I think Mr. Herring is willing to be here tomorrow. As far as we are concerned, we recognize that we have a real expert as a witness today, and also he is a very agreeable witness to deal with, and we feel that if we go into these various criticisms with him thoroughly, maybe the examination of succeeding foundations may not be so long. And we would like very much to get the benefit of all of the education that he can give us on this. All of which adds up to this: that I would like to examine him for a couple of hours tomorrow at least. That is why we can't finish with him tonight.

The CHAIRMAN. It is convenient for you to be here tomorrow?

Mr. HERRING. Quite convenient. And if it is as pleasant an experience as today, I would be delighted.

Mr. HAYS. Then you have 2 hours of questioning?

Mr. KOCH. Yes.

Mr. HAYS. We had better plan on being here all day, then.

The CHAIRMAN. I think you have made a very splendid presentation. I know you are a man of very great ability, with a splendid background and training.

There was just one sentence in your statement that I thought was out of cast, Doctor.

Mr. HERRING. I would appreciate knowing what it is.

The CHAIRMAN. You have made an analytical study of the statement that was presented by a member of the staff. One is impressed by it. But what appeared to me to be out of cast in your statement was your characterization of the individual.

For example, beginning with the last sentence on page 5:

> The most charitable explanation that comes to mind is that they speak from ignorance rather than malice.

That is not like you.

And the other is on page 3, referring to the work of the staff as—

> symptomatic of a troubled state of mind on the part of a few persons * * *

I do not think that is characteristic of a man of your position and great capacity. Because you are interested in analyzing what was presented, and not analyzing the individuals who presented it. And I rather regret that you permitted those two sentences to creep into your statement.

As you grow older you become more understanding of people who differ, and I seldom take exception to people differing with me.

The committee will meet in this same room tomorrow morning at 10 o'clock.

Mr. HAYS. May I make a minute statement about Dr. Herring's statement?

I would just like to compliment you on your statement, Doctor, and say that I was especially pleased to see that you took a positive approach to this problem rather than a negative approach; that you did not spend a lot of time quoting a lot of paragraphs in answer to a lot of allegations that have been made about the foundations. And I do not really refer so much to the staff's reports as I do to some of the witnesses who have made some fantastic charges, which have failed to stand on their own feet, because of the absence of any fact. I am very happy that you did not waste any time refuting those things, which had already fallen flat on their face, but that you did take a positive approach.

Now, I am sure that from what little I know about you and have been able to find out, you did not mean to hurt anybody's feelings by any statement that you made, and as far as saying something about someone's troubled state of mind, I do not feel there is any implication involved there. As a matter of fact, I was rather amazed to notice that one of the great dailies picked up a phrase that I had more or less pulled out of thin air. I called some of this testimony "a plot psychosis," in which some people apparently could see a great plot on the part of some of these foundations to reorient the whole social-science field. And I certainly meant no implication by that. It was just an effort on my part to try to describe the situation as I saw it. And I am certainly not trying to put words in your mouth. And I feel, for the benefit of the staff, Mr. Reece, Mr. Goodwin, or anyone else, that the words "troubled state of mind" were simply an attempt on your part to describe the picture as you saw it, and that you certainly did not mean any implication or bad connotation or unfavorable impression to be left.

The CHAIRMAN. I would not take exception to being said to have "a troubled state of mind." A man who does not have a troubled state of mind in these days is abnormal, I think.

The committee stands adjourned until tomorrow morning at 10 a. m.

(Whereupon, at 4: 10 p. m., the hearing was adjourned until 10 a. m., Thursday, June 17, 1954.)

TAX-EXEMPT FOUNDATIONS

THURSDAY, JUNE 17, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met at 10 a. m., pursuant to adjournment, in room 1301, New House Office Building, Hon. B. Carroll Reece, chairman of the special committee, presiding.

Present: Representatives Reece, Goodwin, Hays, and Pfost.

Also present: Rene A. Wormser, general counsel; Arnold T. Koch, associate counsel; Norman Dodd, research director; Kathryn Casey, legal analyst; John Marshall, chief clerk.

The CHAIRMAN. The committee will come to order, please.

You may proceed, Mr. Herring.

TESTIMONY OF PENDLETON HERRING, PRESIDENT, SOCIAL SCIENCE RESEARCH COUNCIL, ACCOMPANIED BY PAUL WEBBINK, VICE PRESIDENT, SOCIAL SCIENCE RESEARCH COUNCIL, AND TIMOTHY PFEIFFER, ATTORNEY, NEW YORK, N. Y.—Resumed

Mr. HERRING. I am very happy indeed that I can go forward, calling to the committee's attention the facts and principles that seem to me relevant and that I hope will be helpful in this inquiry.

There were one or two points raised by members of the committee yesterday that I would like to go back to, because there was insufficient time to develop the interesting points that were mentioned.

The first point relates to Congressman Hays' inquiry about the Soviets and their attitudes toward the social sciences and the foundations, and the second point relates to the interesting line of comment opened by Congressman Goodwin in his references to history. So if it is your pleasure, I would like to take up those two points and proceed.

I have before me, and I have copies that I would like to place in the hands of the committee, a brief memo that was prepared by a Russian specialist, a man who spends his time reading all that we can get out from behind the Iron Curtain about what the Russians are doing. He wrote this memo, and there are a few paragraphs that I think are interesting and relevant, and you have the whole thing before you. So I will just read 2 or 3 paragraphs.

This memorandum is meant to implement any suggestion to you that the Reece committee might be interested in learning something of how the general problem it has under investigation is treated and viewed behind the Iron Curtain.

In drawing up this memorandum I have not undertaken a systematic survey, but have merely drawn on my notes and on items which were easily recalled by me or my colleagues. A systematic survey of Soviet sources would yield an enormous number of violent attacks on the foundations and the accessory agencies in Communist sources.

FOUNDATIONS AND ACCESSORY AGENCIES BEHIND THE IRON CURTAIN

By way of background the committee may be interested to know that in Communist-controlled countries the existence of organizations like the great American foundations and the accessory agencies is unthinkable. Where they existed at the time of the Communist seizure of power they were always among the first institutions to be broken up and to have their funds confiscated by the Communist dictatorship. This is because the Communists recognize that such funds and agencies are sources for centers of free thought and opinion which is always inimical to Communist rule. In the Soviet Union, for example, professors, scientists, and other scholars are not permitted to organize associations like the American Historical Association. They may belong only to trade unions and to officially sponsored grovernmentally organized institutions such as the Academy of Pedagogical Sciences.

Not only does the Communist world look askance at the existence of foundations and agencies of the accessory type in its own domain, but it also takes a very hostile view to those which exist in the free world and particularly those which operate in the United States.

Then I skip to the next paragraph, on page 2.

The rule of the foundations on the American scene is not too well understood by Communist propagandists, however, and they concentrate most of their fire on what the Reece committee has defined as the "accessory agencies." Our great educational associations, for example, are constantly attacked in Soviet educational journals as instruments of capitalism, spreading its ideology, teaching hostility toward the Soviet Union and toward communism, and misleading our youth by "reactionary" teaching methods. To cite another example, from odd notes at hand which could be matched many times over through a careful survey, we might consider the American Economic Association.

In a book entitled "Ideologists of the Imperialist Bourgeoisie," published by the Academy of Sciences of the U. S. S. R. in 100,000 copies, the American Economic Association is attacked for allegedly fomenting propaganda designed to incite a new world war against the Soviet Union. The members of the association are described therein as "bourgeois economists (who are) in the service of monopolistic capital" and whose theories are designed solely for the purpose of defending the American business interests of their "capitalist masters."

Then there is further data in the following paragraph, but perhaps we could skip to the middle of page 3.

SOCIAL SCIENCE IN THE SOVIET UNION

Since the Reece committee appears to be particularly interested in the support given by the foundations to social science in the United States, they may wish to know that in the eyes of Communist leaders social science is regarded as one of the worst and most dangerous enemies of Communist ideology and Communist expansion. Indeed, so strong is the feeling against sociology that it is not permitted to teach it as a subject in the Soviet Union. Sociology is defined there as a strictly "bourgeoise" and "capitalist" science of society and is regarded by the Soviets as directly opposed to and contradicting Marxism. Consequently they forbid the teaching of sociology in Soviet Russia and have substituted Marxism-Leninism instead as the only "true" science of society. Communist hostility to sociology is reflected in the fact that the Soviet press has in recent years been full of attacks on American sociology, and in addition at least two special books on the subject have been put out by official Soviet publishing houses. One of these, issued in 1951 by the State Political Publishing House of the U. S. S. R. in 100,000 copies, bears the title "American Bourgois Philosophy and Sociology in the Service of Imperialism"; the other, was issued in 1952 by the Academy of Sciences of the U. S. S. R. in 10,000 copies under the title "Contemporary American Bourgeois Sociology in the Service of Expansionism."

This latter is apparently a revised edition of a book by the same author published under a slightly different title in 1949, and at the time severely criticized

in a review in Culture and Life (Kultura i Zhizm), the official publication of the Department of Propaganda of the Soviet Communist Party. The criticism held that the author was "too easy" on American sociologists and failed to expose the full degree to which American sociologists play "the odious role of servants and lackeys to the imperialist * * * capitalists of the United States." You may rest assured that on the second time around this author did not fail to drive home the point.

The individual American social scientists brought under attack in these polemical Soviet writings read like a Who's Who of American sociology and social science in general. Among them are many men who were prominent in the councils of the foundations and the accessory agencies or who have received support from them.

But I think we can skip the names of individuals, however, since one name has already been brought into the discussion, and we might turn to page 5, where at the beginning of the second paragraph, I read:

Since the name of Stuart Chase has or will probably come before the committee his name might serve for one last illustration. In one of the Soviet books cited above Chase is violently attacked as a long time spreader of "reactionary" ideas, even in the time when he was regarded as a liberal in the thirties. It is charged by the Communist press that after the recent World War he openly joined the "shrill chorus of American atom-bombists" in their "openly Fascist" attacks on world peace. Specifically, he is accused of "fulfilling the orders of monopolistic bosses" by preaching the saving of capitalism through resort if necessary to war and atomic destruction.

Since the report by the staff to the Reece committee seems concerned about the possibility that the foundations and the accessory agencies have fostered changes in the basic American way of life, it might be appropriate to conclude that this is hardly the Soviet view. On the contrary, they see American social scientists as "propagandizing the antiscientific idea of America's uniqueness" and of spreading the "false" idea that under American capitalism there are such things as "enduring prosperity" and "a harmony of interests between labor and capital."

Mr. WORMSER. May I interrupt you just to say that in this memorandum, it is stated that the Soviet Union has a hostile attitude toward United States foundations. I suppose you are aware of the fact that in the Cox committee hearings it was brought out rather conclusively that the Communists had by direct order from the Kremlin determined to infiltrate American foundations for their own purposes, and there is evidence that to some extent they had been successful. That doesn't look like a hostile attitude in that sense, does it? They are very ready to use the American foundations when they can for their purposes.

Mr. HAYS. Well, I would say that doesn't indicate any friendly attitude. They don't have a friendly attitude toward a lot of American institutions that they would like to infiltrate.

Mr. HERRING. It has been charged that they have been trying to infiltrate the American Government. I wouldn't interpret the American Government as friendly.

Mr. HAYS. If you wanted to use that type of logic, you could probably arrive at the conclusion that because at the same day the staff attacked the Kinsey report, the Soviets attacked it, and the same day the Communists attacked empirical research, the staff attacked empirical research, that the Communists and the staff are against empirical research, and if you wanted to arrive at some kind of an analogy you could say there was some sort of a liaison between the staff and the Communists.

The CHAIRMAN. I think the gentleman is in error when he says the staff attacked the Kinsey report. As one member of the committee,

I don't have much interest in the Kinsey report. Any interest that the committee might have in the Kinsey report arises out of whether that was a desirable undertaking for a foundation, which is quite a different matter. In my observation, if I may make one, with refernce to the attitude of Soviet Russia toward foundations, I am not in anywise surprised, myself, because Soviet Russia is against private enterprise of all types. Everything is centered in the government there, both major industrial activities, and, of course, as we have learned, to our great regret, practically all research and ideological forces are directed by the government. So it is quite understandable that the government of Soviet Russia would not permit the establishment of great foundations which would be free of government influence.

Would you mind identifying for the record Alex Inkeles?

Mr. HERRING. Alex Inkeles is on the staff of the Russian Research Center at Harvard University. He has published studies of Russian problems, and he is recognized as a leading specialist in the field of Russian studies.

The CHAIRMAN. But with reference to the question raised by Mr. Wormser, the mere fact that Soviet Russia is against private foundations, as it is against all other types of private enterprise does not mean that Soviet Russia might not be desirous of utilizing any forces in America or elsewhere which might exist, to their advantage, if it was possible to do so—without indicating that they are able to do so, that would be an illogical conclusion.

Mr. HAYS. That raises an interesting question in view of what Mr. Wormser said. Does the staff have any evidence that they have infiltrated in these foundations?

The CHAIRMAN. His question was based altogether on the findings and report of the committee with which Mr. Goodwin and I worked.

Mr. HAYS. But there have been charges made again and again in the presence and otherwise and even in the Congressional Record that there are Communists in these foundations. But I haven't yet seen the staff bring out any evidence of it. I think it is time that the staff either said they are there and are going to bring them out, or else they say they are not there. We have these insinuations and allegations without any proof.

Mr. WORMSER. I am not insinuating or alleging anything. I am referring only to the Cox committee report which showed conclusively that there had been Communist penetration in the foundations. In fact, two substantial foundations have lost their tax exemption, because they had been sufficiently penetrated.

Mr. HAYS. Then they are not foundations anymore. But the ones I am talking about are the ones still in existence. Charges were made as to the Ford Foundation. Have you any evidence that there are Communists——

The CHAIRMAN. I assume you are referring to my speech. I made no such allegations myself. I made allegations that undesirable influences were to be found in the foundations, but not that there were Communists there; or that at least is as I recall my speech.

But that doesn't help us get along with the hearings.

Mr. HERRING. Mr. Chairman, I think I could be most helpful by commenting on some of the things I know something about, and I

have just brought this in to sharpen our sense of contrast between our great free institutions here and the way they go about things.

The CHAIRMAN. I think that is a very fine expression you are making. There are no free institutions in Russia of any type, character, or description, whether educational, whether philanthropic, or whether industrial, financial, or any other way. There all power is vested in the Government when it desires to exercise it.

Mr. HERRING. I just wanted to nail that point down.

The CHAIRMAN. So there is nothing unusual, as I see it, in Russia taking the attitude it does toward foundations within the borders of Russia.

Mr. HERRING. Now, may I follow up with just one additional point? And then I would like to come back to the good old United States of America, if I may. But just one other point on this Russian side.

I have here an article that appeared in Culture and Life, this same Soviet Russian publication, the 21st of June 1949, by M. Rubenstein. The article is entitled "Science in the U. S. A. in the Service of Monopolies and Militarists." And there are just a few sentences from this article that I think are of particular interest. This is a Russian speaking now, and I am quoting:

> The American press has currently been giving a great deal of lip service to the "independence" and "impartiality" of science in the United States, which allegedly is outside the realm of politics. But one needs only to become familiar with the incontrovertible facts of reality to dispel this myth of the impartiality and independence of American science and to make it more than apparent that science in the United States serves as an obedient instrument of the forces of reaction and the capitalist monopolies that are militarizing it—putting it at the service of its aggressive aims.

Then he goes on to say:

> A considerable role in the American, scientific-research network is played by universities and colleges which prepare cadres for all scientific institutions and which at the same time are centers of theoretical research.
>
> Due either to a profound fallacy or by conscious design, a widespread conception is being circulated in America that science in the universities as distinct from research work done in the laboratories of the industrial corporation is "independent" of the policies of the monopolies.
>
> It will suffice to mention that 200 of the largest United States corporations control the governing board literally: academic councils of almost all the American universities, which, in consequence, are controlled directly by Wall Street.

And this Soviet author continues:

> The monopolies' influence on the social science is displayed with cynical candor. Not only do the monopolies not object to the professors' dealing with current problems; on the contrary, they demand that this be done—but on the condition that their studies and all written and oral statements must clearly be aimed at defending the interests and policies of the monopolies. Anyone disagreeing with this policy is ruthlessly driven out and, in effect, blackballed.

And just one final sentence. I can't stand much more of this myself.

> Long ago Lenin has shown that there can be no "impartial" social science in a society torn by class struggle, that in one way or another, bourgeois science always defends wage slavery.

And, quoting Lenin's work—and mark you, I suppose a reputable Russian author has to work in a quote from Lenin. So he has one, to make it legal.

> To expect science to be impartial in a wage-slave society is as silly and naive as to expect impartiality from manufacturers on the question of whether workers' wages should be increased by decreasing the profits of capital.

That is from Lenin's Works, volume 19, page 3.

At present, when the United States has become the primary force in the imperialist camp, the social sciences in America have been placed completely in the service of imperialist expansion.

If anyone wants to have this, they are welcome to it.

The CHAIRMAN. Would you like to put it in the record as a part of your remarks?

Mr. HERRING. We would like to do so.

The CHAIRMAN. Without objection.

(The document referred to is as follows:)

SCIENCE IN THE U. S. A. IN THE SERVICE OF MONOPOLIES AND MILITARISTS

(By Mr. Rubinshtein in Kul'tura i zhizn', Culture and Life, June 21, 1949, p. 4)

The American press has currently been giving a great deal of lip service to the "independence" and "impartiality" of science in the United States, which allegedly is outside the realm of politics. But one needs only to become familiar with the incontrovertible facts of reality to dispel this myth of the impartiality and independence of American science and to make it more than apparent that science in the United States serves as an obedient instrument of the forces of reaction and the capitalist monopolies that are militarizing it, putting it at the service of its aggressive aims.

Despite the extreme diversity and chaotic state of the scientific-research network in the United States, one can delineate three basic and definitive groups: Scientific-research laboratories operated by industrial corporations, the universities, and scientific institutions run by the government. Each of these groups of scientific-research institutions is completely dependent on the capitalist monopolies, and on the policies of finance capital prevailing in the United States.

* * * * * * *

Clearly, it would be laughable to expect scientists who are directly subservient to the monopolies to be impartial toward and independent of the policies of these monopolies. It should be noted that even in the most specialized areas of research these scientists do not have the right to publish their own works unless permitted and censored by the appropriate corporation.

A considerable role in the American scientific-research network is played by universities and colleges which prepare cadres for all scientific institutions and which at the same time are centers of theoretical research.

Due either to a profound fallacy or by conscious design, a widespread conception is being circulated in America that science in the universities as distinct from research work done in the laboratories of the industrial corporations is independent of the policies of the monopolies.

It will suffice to mention that 200 of the largest United States corporations control the governing boards literally: academic councils of almost all the American universities, which, in consequence, are controlled directly by Wall Street.

The monopolies' influence on the social sciences is displayed with cynical candor. Not only do the monopolies not object to the professors' dealing with current problems; on the contrary, they demand that this be done—but on the condition that their studies, and all written and oral statements must clearly be aimed at defending the interests and policies of the monopolies. Anyone disagreeing with this policy is ruthlessly driven out and in effect, blackballed.

In carrying out the instructions of their masters, university presidents make reactionary speeches on burning political and economic issues—and then these speeches are widely circulated by the press and radio, which are in the hands of these same monopolies.

Long ago Lenin has shown that there can be no "impartial" social science in a society torn by class struggle, that in one way or another, bourgeois science always defends wage slavery. "To expect science to be impartial in a wage-slave society is as silly and naive as to expect impartiality from manufacturers on the question of whether workers' wages should be increased by decreasing the profits of capital" (V. I. Lenin, Soch., vol. 19, p. 3).

At present, when the United States has become the primary force in the imperialist camp, the social sciences in America have been placed completely in the service of imperialist expansion.

In many American universities special centers for "research" have been formed which have become veritable hornets' nests of scholarly instigators of a new war. Such, for example, is the Institute of International Studies at Yale University, which has become one of the centers for American geopoliticians who propagate the idea that the whole world must become a Lebensraum for American monopolies, and who glorify the "absolute weapon" of atomic and bacteriological warfare.

American economists, who, for the most part, are in the immediate service of the capitalist trusts, are coming out more and more frequently with odious and mendacious "theories" concerning the inevitability and even the desirability of a new world war as the sole means of saving American capitalism from crises and unemployment. These economists are striving to convince the American people. In response to the demand of the monopolies, that the growth in expenditures for armaments is "stimulating a rise in business activity" and that the Marshall plan expenditures enable "unemployment to be exported" beyond the borders of the United States of America. America's bourgeois historians brazenly distort the history of the United States as well as the history of international relations in an attempt to portray American imperialists as "benefactors" of humanity.

American scholars—ethnographers and sociolgists—are outdoing themselves in their efforts to repaint the Hitlerite racial theory in American colors, to poison the consciousness of the masses with this odious form of the Fascist ideology. They propogate the demented ideas of a "chosen" Anglo-Saxon race elected to rule the world, call for intensified racial discrimination, and factually justify the lynching of Negroes, annihilation of Indians, and the ruthless exploitation of colonial peoples. This dissemination of the poison of nationality differences, beneficial to the monopolies, is aided in every way by many American biologists who base themselves on the unscientific theses of the Weismann-Morgan school of genetics.

* * * * * * * *

Mr. HAYS. Dr. Herring, do you have any knowledge of Prof. Raymond Bauer at Harvard? He is also in the Russian field.

Mr. HERRING. I have met him; yes.

Mr. HAYS. He has a book called, The New Man in Soviet Psychology.

Mr. HERRING. I have browsed through that book.

Mr. HAYS. I would just like to read a couple of paragraphs which he has written, which continue to prove the thesis we are on here of the antagonism of the Soviets toward American-type independent research. He says:

It is particularly striking that certain criticisms made before this committee—

this is a letter from Dr. Bauer—

exhibit the same fear of findings of empirical social research that prompted the Bolsheviks to repress so much of the work of Soviet psychologists. You will find an account of this in chapter 7.

That is of his book, which I have read, and which is outlined in great detail.

Here you will see that the findings of psychologists were criticized and the work ultimately stopped, because their conclusions did not please the Bolshevik politicians.

He said:

I would recommend to you also chapter 8, which deals with one of the most drastic instances of Soviet political interference in education and psychology.

And I have also read that.

It is ironic that progressive education in this country should have been labeled "communistic" by its critics, when, as this chapter and other sections of the book show, all traces of progressive education were violently rejected by the Communists in the period between 1931 and 1936. Finally, if you have the time and patience certain portions of the last chapter may prove rewarding, particularly pages 186 and 189—

and I am citing these in case anyone who reads this record would be interested—

and pages 191 and 196. Here—

says the author—

I have tried as objectively as possible to draw the distinctions between our own and the Soviet political systems as regards the role the social sciences play in the two societies.

And this whole book of his is an indictment of the Soviet system, because they have repressed all free and independent research of any kind.

The CHAIRMAN. Will the gentleman yield?

Mr. HAYS. Yes.

The CHAIRMAN. Any interest, as I see it, which has been expressed here since the study began has been toward maintaining free and independent research, independent both from government and any other great sources of power. And one of the things, as I understand, that the staff is desirous of the committee studying is whether there is too great concentration of power that directs research, so as to keep it from being free and independent, just as the learned doctor states from whom the gentleman from Ohio quotes. If there is great concentration of power, it doesn't make a great deal of difference whether it is in the government or whether it is in some outside agency. So that is one of the very questions that the committee desires to explore. And in exploring, there is not an indication of any unfriendliness whatever, but simply a disposition to learn and develop the facts.

Mr. HAYS. Mr. Chairman, I think that calls for a statement. I might say that your statement is a very heartening and encouraging thing to me.

The CHAIRMAN. That has been the very key, as I understand it, of practically all the questions that have been raised by the staff, Mr. Hays. And I am not unaware of the fact, as Mr. Herring has observed in the press, that various implications have been put on the work of the committee. But that is the very key or one of the principal keys to the purpose of the work that has gone on so far.

Mr. HAYS. Mr. Chairman, as I said, that is a very heartening thing, to hear you say that, and I am glad to hear you say it. But putting your statement up against the very bare words of the reports of the staff, the two just don't correspond. Anyone who can read Mr. McNiece's report or Mr. Dodd's report and say they are in any way friendly toward the foundations, or who can say their reports are not a very damning indictment didn't understand English the way I do. Maybe there is something wrong with the way I do understand it.

The CHAIRMAN. I regret very much that we should have to monopolize the time of the committee, including Mrs. Pfost and the very able gentleman from Massachusetts, who is a member of the Ways and Means Committee, which may ultimately have responsibility concerning legislation as to the tax-exempt status of foundations, but I don't want the wrong impression to go in the record with reference to any statement the staff of the committee has made. The whole purpose of the chart that Mr. McNiece displayed to the committee was to raise the question with reference to the concentration of power in a few places, which had over-all supervision over research.

Now, he was not stating that as a fact but simply raising the question for the exploration of the committee. And, as chairman, I would like to leave Russia and get back to the United States and proceed with our hearing.

Mr. GOODWIN. I think that is most desirable, Mr. Chairman. We have a very eminent gentleman here who is a witness. It may be that he is very much interested in discussions from the rostrum here, which I think might very well be confined to executive session. If he should be, and desires to take from his valuable time some portion of it to listen to discussions here, very well, but it seems to me that we should go on with the hearing and listen to the witness here.

Mr. HAYS. Well, Mr. Goodwin, I am in general agreement with you, but I don't think you can let any blanket statement go unchallenged, from my point of view, and I don't intend to. I am not going to let these rather peculiar statements of the staff go into the record, and then, as to any criticisms I have to make of them, make them in executive session, where nobody knows I made them.

Now, the chairman desires to end this colloquy, but he always keeps bringing in new material. Now, he brought in this chart. And I am impelled to say something about that chart, because I think that chart came about as near being nothing as anything that anybody could have spent much time on, and I am going to tell you why. It is a lot of nice, little pretty boxes with a lot of nice black lines running here and there, and according to its author it was supposed to show some sort of an interlock. Now, suppose I went over to the blackboard and made a chart and said, "That is the White House," or "the State Department." I will put in the White House, and then I will put the State Department underneath it and run a line down.

Then I will make another box, and it says, "The Kremlin," and I run a line from the State Department to the Kremlin. We have an Ambassador there. And another one says, "The Ambassador to Poland." And we run a line there, where there is a Communist government. And another to the Government of Czechoslovakia. And then I could say, "Look, we have lines running out to all these places, so there must be some kind of an interlock between our Government and these Communist governments." It is just about that factual.

The CHAIRMAN. Do you have any other statements you wish to make before we proceed?

Mr. HAYS. None right now.

The CHAIRMAN. Were you proceeding with your questioning?

Mr. KOCH. Well, Mr. Herring had a few more remarks. Or I won't even restrict him to a few. He wanted to complete his oral presentation before we started questioning.

Mr. HERRING. I thought Congressman Goodwin made an interesting point yesterday that we didn't have time to develop, and if I may pick up there, I think it may add something to the problems we have under consideration.

He pointed, I thought with real discernment, to the importance of historical fact, what is historically so. And it brought to mind a little piece of American history that I think is quite relevant.

Let's go back to the Franklin Institute in Philadelphia in 1832. In those early years, with steamboats getting under way, unfortunately a good many boilers burst. Bursting steam boilers were a problem. And the Franklin Institute, in its empirical, pragmatic, down-to-

earth way, said, "What can we do about bursting steam boilers?" So they turned to a professor at the University of Pennsylvania, a professor of chemistry and moral philosophy, old Professor Bates. He was the grandson of Benjamin Franklin. And they said, "Will you try to find out why steam boilers burst?"

So he got a grant from the Government. The Secretary of the Treasury got hold of $1,500—probably the first money used for scientific inquiry. And in American fashion: "If steam boilers burst, let's get some explanation." So they set up a little group to investigate, and they went into all the scientific aspects. And when they got through, I must confess to you that this group of scientists did come up with a recommendation for action. They did say that "maybe if we had some way of inspecting steam boilers, we might protect the public from bursting steam boilers."

So the Steamboat Inspection Service, as a result of this empirical investigation, was established in 1836, and it was the first Government regulatory agency. And I submit to you that the reason for the Government getting into regulation was not socialism. It wasn't any bursting Socialist with his ideas. It was the down-to-earth fact that sometimes steam boilers burst, and we want to know why.

So the grandson of old Ben Franklin went in there, and he found out the reason, and he said, "One of the reasons, that goes beyond the sheer chemical side, is that maybe there is a little carelessnes in stoking the fire." In other words, you have got to get the human factor in there. You have to keep an eye on the people who are running the steamboats. And we have the Steamboat Inspection Service as the first regulatory agency.

And I think, Mr. Goodwin, there is an illustration where if you go back to the record, if you look at American history, if you say, "What causes these things?"—now, suppose that group had gone at it in this rationalistic fashion. The first thing you do is get an armchair, and you sit down and say, "Let's speculate about this. Why do these boilers burst?" And you go about it through doing a lot of abstract reasoning.

The steam boilers, I submit, will still be bursting. But when you look at them and you say, "How can we stop this?" and if it takes a little Federal regulation to protect the public from bursting steam boilers, the American way to do it is to get at the actual situation. And I don't want to overemphasize this thing, but I must speak with a bit of emphasis, because I think, as you say, sir, if you look at the historical development of things, you often find the reasons.

The CHAIRMAN. You intended for this memorandum from Mr. Inkeles to go in the record as part of your statement, although you only read portions of it?

Mr. HERRING. Yes, please.

(The document referred to is as follows:)

From: Alex Inkeles.
To: Pendleton Herring.

This memorandum is meant to implement my suggestion to you that the Reece committee might be interested in learning something of how the general problem it has under investigation is treated and viewed behind the Iron Curtain. In drawing up this memorandum I have not undertaken a systematic survey, but have merely drawn on my notes and on items which were easily recalled by me or my colleagues. A systematic survey of Soviet sources would yield an enormous number of violent attacks on the foundations and the accessory agencies in Communist sources.

FOUNDATIONS AND ACCESSORY AGENCIES BEHIND THE IRON CURTAIN

By way of background the committee may be interested to know that in Communist-controlled countries the existence of organizations like the great American foundations and the accessory agencies is unthinkable. Where they existed at the time of the Communist seizure of power they were always among the first institutions to be broken up and to have their funds confiscated by the Communist dictatorship. This is because the Communists recognize that such funds and agencies are sources for centers of free thought and opinion, which is always inimical to Communist rule. In the Soviet Union, for example, professors, scientists, and other scholars are not permitted to organize associations like the American Historical Association. They may belong only to trade unions and to officially sponsored governmentally organized institutions such as the Academy of Pedagogical Sciences.

Not only does the Communist world look askance at the existence of foundations and agencies of the accessory type in its own domain, but it also takes a very hostile view to these which exist in the free world and particularly those which operate in the United States. Unfortunately I have not maintained a file of the attacks on the foundations as such, but I recall from time to time having seen violent attacks on them in the press of the Iron Curtain countries. The general line has been that the American foundations are simply thinly disguised devices whereby the "monopoly capitalists" of the United States hide behind the disguise of charity and the pretense of advancing the public interest, whereas in fact they are pursuing the goals of spreading the ideology of capitalism, continuing to oppress the workers, and "buying out" the services of American scholars, scientists, teachers, etc.

The role of the foundations on the American scene is not too well understood by Communist propagandists, however, and they concentrate most of their fire on what the Reece committee has defined as the "accessory agencies." Our great educational associations, for example, are constantly attacked in Soviet educational journals as instruments of capitalism, spreading its ideology, teaching hostility toward the Soviet Union and toward communism, and misleading our youth by "reactionary" teaching methods. To cite another example, from odd notes at hand which could be matched many times over through a careful survey, we might consider the American Economic Association. In a book entitled "Ideologists of the Imperialist Bourgeoisie," published by the Academy of Sciences of the U. S. S. R. in 100,000 copies, the American Economic Association is attacked for allegedly fomenting propaganda designed to incite a new world war against the Soviet Union. The members of the association are described therein as "bourgeois economists [who are] in the service of monopolistic capital" and whose theories are designed solely for the purpose of defending the American business interests of their "capitalist masters."

The American Philosophical Association is repeatedly attacked in much the same terms. An example that is typical comes from the June 1949 issue of the official Soviet journal, Problems of Philosophy (Vopresi Filosofii). The American Psychological Association has also often been treated in much the same way. I find in my notes, for example, that the American journals Psychological Abstracts, the Journal of Social Psychology, and the Journal of Genetic Psychology are described in the 1951 official Soviet Literary Gazette (issue 106) as being merely "screens behind which lies hidden a reactionary antiscientific and antipopular propaganda. These journals, one of which is published by the Psychological Association, are further charged by the Communist propagandists with containing not science but only pseudoscience which seeks to justify "the merciless exploitation of the workers, the advent of Fascist regimes, colonial brigandage, and aggressive wars" for which the Communists hold capitalist society responsible.

SOCIAL SCIENCE IN THE SOVIET UNION

Since the Reece committee appears to be particularly interested in the support given by the foundations to social science in the United States, they may wish to know that in the eyes of Communist leaders social science is regarded as one of the worst and most dangerous enemies of Communist ideology and Communist expansion. Indeed, so strong is the feeling against sociology that it is not permitted to teach it as a subject in the Soviet Union. Sociology is defined there as a strictly bourgeois and capitalist science of society and is regarded by the Soviets as directly opposed to and contradicting Marxism. Consequently they forbid the teaching of sociology in Soviet Russia and have substituted Marxism-Leninism instead as the only true science of society.

Communist hostility to sociology is reflected in the fact that the Soviet press has in recent years been full of attacks on American sociology, and in addition at least two special books on the subject have been put out by official Soviet publishing houses. One of these, issued in 1951 by the State Political Publishing House of the U. S. S. R., in 100,000 copies, bears the title "American Bourgeois Philosophy and Sociology in the Service of Imperialism"; the other was issued in 1952 by the Academy of Sciences of the U. S. S. R., in 10,000 copies, under the title "Contemporary American Bourgeois Sociology in the Service of Expansionism." This latter is apparently a revised edition of a book by the same author published under a slightly different title in 1949, and at the time severely criticized in a review in Culture and Life (Kultura i Zhizm), the official publication of the Department of Propaganda of the Soviet Communist Party. The criticism held that the author was too easy on American sociologists and failed to expose the full degree to which American sociologists play "the odious role of servants and lackeys to the imperialist * * *" capitalists of the United States. You may rest assured that on the second time around this author did not fail to drive home the point.

The individual American social scientists brought under attack in these polemical Soviet writings read like a Who's Who of American sociology and social science in general. Among them are many men who were prominent in the councils of the foundations and the accessory agencies or who have received support from them. Amongst those of an earlier or older generation Ross, Bernard, and Bogardus and Ogburn are prominently named by the Soviet hatchetmen as "tools of monopoly capital." Bernard is violently attacked for allegedly having held up Henry Ford and John D. Rockefeller as being true representatives of progress. Ogburn is repeatedly castigated as the "sociologist of the atom bomb," and despite minor differences, all are held to be "apologists for imperialism"; Blumer, Reuter, Becker are a few among many others on a list of names which could be spelled out almost indefinitely. Pravda (July 17, 1952), for example, held Otto Klineberg, Talcott Parsons, David Reisman, and others to be agents of the American military engaged in psychological warfare against the Soviet Union and acting as learned servants of American imperialists, capitalists, and monopolists. In the same issue Harold Lasswell is described as having been "a hardened intelligence agent since the times of World War I."

In the journal October directed to Soviet intellectuals, F. Lundberg and Weininger have been charged with an attempt "to carry out the order of their masters, the Wall Street magnates, by shamelessly slandering the women's democratic movement * * *" Lewis Mumford is also numbered among the evil sociologists of the United States, as, indeed, is former Senator Bilbo, of Mississippi, the former being accused of being a "mercenary servant of the warmongers."

Since the name of Stuart Chase has or will probably come before the committee, his name might serve for one last illustration. In one of the Soviet books cited above Chase is violently attacked as a longtime spreader of reactionary ideas, even in the time when he was regarded as a liberal in the thirties. It is charged by the Communist press that after the recent World War he openly joined the "shrill chorus of American atom bombists" in their openly Fascist attacks on world peace. Specifically, he is accused of "fulfilling the orders of monopolistic bosses" by preaching the saving of capitalism through resort, if necessary, to war and atomic destruction.

Since the report by the staff to the Reece committee seems concerned about the possibility that the foundations and the accessory agencies have fostered changes in the basic American way of life, it might be appropriate to conclude that this is hardly the Soviet view. On the contrary, they see American social scientists as "propagandizing the antiscientific idea of America's uniqueness" and of spreading the false idea that under American capitalism there are such things as enduring the prosperity and a harmony of interests between labor and capital.

Mr. HERRING. I would like to come down to the present time, because Congressman Goodwin's point as to this phraseology, "new and inexact sciences," came back to mind. And I would just like to comment on that one. And I could comment at some length on it, but I will try to restrain myself to one rather symmetrical little illustration here.

I have before me a statement that Wesley Mitchell made 35 years ago. Wesley Mitchell was one of the founders of the Social Science Research Council, and he was the man who developed the National

Bureau of Economic Research. And his successor in the National Bureau of Economic Research is now the author, Burns, that was referred to yesterday, who is the President's adviser on the Economic Council.

Thirty-five years ago, Wesley Mitchell said:

> While I think that the development of the social sciences offers more hope for solving our social problems than any other line of endeavor, I do not claim that these sciences in their present state are very serviceable. They are immature, speculative, filled with controversies. Nor have we any certain assurance that they will ever grow into robust manhood, no matter what care we lavish upon them. Those of us who are concerned with the social sciences are engaged in an uncertain enterprise. Perhaps we shall win no great treasures from mankind, but certainly it is our task to work out this lead with all the intelligence and energy we posses until its richness or sterility is demonstrated.

That was 35 years ago.

Let's turn from that to a current editorial in the New York Times dated June 7, 1954.

And I will just read two brief paragraphs from it. It is entitled "Economic Geiger Counters," and the editorial says:

> In the field of economics, the Geiger counters—

we all know what Geiger counters are—

> are the statistics of production, income, inventories, and the like, on which economists, businessmen, and public officials depend for signals on the health of the economy. If our economic data are sound we can gage whether we are going uphill or downhill, whether the business prognosis is good or bad. If our economic data are bad we can be lulled into complacency when action is needed or be stampeded into needless Government intervention which may do more harm than good.
>
> Against this background it is disturbing to learn that top officials of our Government feel that many of our key economic indexes have better reputations than they deserve. Even worse studies have shown that some data in the inventories and profits field have been so far wrong at times in the postwar period that they have shown movements contrary to the actual change. Only a few months ago the wide discrepancy between two Government efforts to measure unemployment excited wide attention.
>
> A joint congressional committee is apparently planning to look into this situation in an effort to learn what improvements are needed. On the basis of information already available, it is likely that the committee will find that much of the fault can be laid at the door of a false economy which has prevented adequate resources from being devoted to keeping our statistical Geiger counters in good shape. Economic statistics are not the dull, lifeless, unimportant ciphers too many laymen believe them to be. They are the indispensable tools for understanding the operation of our complex economy. Any congressional action to improve these tools would repay our people a hundredfold.

And I think it is interesting to note that one member of this committee is very directly concerned with the Joint Committee on the Economic Report, and maybe he is so busy working on it today that he is not here with us. But here the point I want to make is that we have developed within a generation from a time when a leading authority in the field can say, "These are premature; we don't know whether it is going to work out or not," to 35 years later, when we sit here today and see that by directing attention to an empirical study of the business cycle and going at it statistically and getting out of armchairs and getting the facts together, it has become an integral part of our Government. So that we have the Council of Economic Advisers continuing from one administration to another as a function, as a way of using this Geiger counter in determining the economic health of the Nation.

Well, if I may continue, I would like to go right ahead, then.

Keeping in mind Mr. Goodwin's point and the historical approach to this thing, it has been suggested that this stuff is new and inexact. Well, as I say, it is a big subject. It seems to me that as we look at science, science should be new, and often must be inexact. The point is that you try to go from the inexact toward the exact. It is the process that is important. And the newness is important. We don't want old sciences. We want science to ever renew itself. If you turn to cancer research, that is new, and that is inexact, and it is no less important because it is. It is the newness, it is the growth, it is the ever-changing character of science that preserves its vitality and strength.

Well, you can get scientists in different fields to hold forth on this one, but I would like to come back to the historical record again.

I have before me a foreword by the President of the United States prepared for Recent Social Trends in the United States—the report of the President's Research Committee on Social Trends. And the President to whom I refer is Herbert Hoover. I would like to read his brief letter for the record.

Hoover writes:

> In the autumn of 1929 I asked a group of eminent scientists to examine into the feasibility of a national survey of social trends in the United States, and in December of that year I named the present committee under the chairmanship of Dr. Wesley C. Mitchell to undertake the researches and make a report. The survey is entirely the work of the committee and its experts, as it was my desire to have a complete, impartial examination of the facts. The committee's own report, which is the first section of the published work and is signed by members, reflects their collective judgment of the material and sets forth matters of opinion as well as of strict scientific determination.
>
> Since the task assigned to the committee was to inquire into changing trends, the result is emphasis on elements of instability rather than stability in our social structure.
>
> This study is the latest and most comprehensive of a series, some of them governmental and others privately sponsored, beginning in 1921 with the report on waste in industry under my chairmanship. It should serve to help all of us to see where social stresses are occurring and where major efforts should be undertaken to deal with them constructively.

Signed "Herbert Hoover, The White House, Washington, D. C., October 11, 1932."

It is rather interesting, from a historical standpoint, and to give some sense of proportion about our present problems at midcentury, to go back, as I did the other day, to these volumes and browse through them a bit. And you will find there, in these volumes, some references to the fact that there were problems back there in the thirties, too. And many of those problems are still with us.

I don't want to take your time to read a whole list of the problems of the 1930's, because we have got our hands full at the present time. But they had their problems. And—

even a casual glance—

we read, in this foreword to the social trend study—

> at some of these points of tension in our national life reveals a wide range of puzzling questions. Imperialism, peace or war, international relations, urbanism, trusts and mergers, crime and its prevention, taxation, social security, the plight of agriculture, foreign and domestic commerce, governmental regulations of industry, shifting moral standards, new leadership in Government and business, and the stanch status of womankind, labor, child training, mental hygiene, the future of democracy and capitalism, et cetera.

But one last sentence here:

Democrats, statesmen, and servants and propagandists have attacked these problems, but usually from the point of view of some limited interest. Records and information have been and still are incomplete and often inconclusive.

But Herbert Hoover, that great social engineer, was a man who said, "Let's have a look at the record." And these volumes were prepared under his sponsorship. And Congressman Goodwin, I submit to you, that having a little historical sense about the past and about the continuity in these things is a way of—well, it helps one's blood pressure a bit perhaps.

Mr. GOODWIN. That is very, very interesting, and I think very illustrative, too, sir.

Mr. HERRING. Well, now, Mr. Chairman, there are a variety of things I could turn to. I want to keep constantly in mind, if I may say so, the fundamental point that the chairman raised a few minutes ago. I would leave this room satisfied indeed if I could help to clarify that problem, because if it is a serious problem in your minds, let's have a look at the facts and see if we can develop it. Maybe a few minutes on that would be helpful testimony.

Let's start with the fact that in this great country of ours we have 1,700 colleges and universities spread across the breadth of the Nation. We know how they came into being. Some of them are great State institutions. I needn't rehearse the story there. The churches started great private benefactions. But you see the story, all over the country, of these institutions. They weren't developed from a Paris or a Berlin in accordance with a ministry of education in a national system. They grew up like the wheat on the prairies. They grew up out of our native soil. They grew up because—well, you could start with Harvard, if you like. I keep William and Mary in mind, too. There was the importance of training the clergy in the old days, getting an enlightened clergy. There was a practical need. And our great land-grant colleges were started. This is a subject I fear I get a little eloquent on, because it is such a dramatic and beautiful piece of American history, I feel.

The CHAIRMAN. Would you permit a little interruption there? I want to associate myself in my very feeble way with your eloquence and deep feeling about these colleges and universities. And there is no apprehension on anyone's part so long as the colleges and universities are used as the medium for the research. There will be no dangerous concentration then. It is when the generating force is centered in other agencies, which haven't risen up in the same way that the colleges and the universities have, and use intermediary agencies as the channel that gives rise to apprehension; if you will just permit that, in order to keep the direction clear.

Mr. HERRING. I just wanted to start with the grassroots and take a historical direction in this, so that we could see the broad sweep of American life.

Mr. HAYS. Right there, Doctor, isn't it true that the colleges and universities are always the generating force in any research, or always at least the propelling force, and that the most that any foundation has done has been to simply provide the fuel, the gasoline, for the engine, you might say, the money, which in this case is the fuel, to see

that these fellowships could be granted and that the colleges and universities could have the funds available to have people to do research? Isn't that the way it has been handled?

Mr. HERRING. That is right. We start with this magnificent development in our country.

Now, within those institutions, you have the professors. And let me mention a point that we sometimes forget.

We have a system in American education, of tenure. When a man has proved his capacity, he is given an appointment with tenure. That means you can't fire him. He has a job that is a secure job. It is at a modest salary, but he has independence. And I don't know any group of citizens that have the same degree of independence, because they have this economic support. They are secure in their jobs, and they are expected to express their opinions and to develop their thoughts and to teach their students to the best of their ability. And our great tradition is: Leave them alone to do that job.

So the tenure on the economic side is shored up with the great principle of academic freedom.

So here again, in our practical way, we have both the practice of tenure and the principle of academic freedom. So that means you have, then, men who have, in a sense, these privileges to exercise their thoughts and to contribute to the education of the youth of the country and to the furtherance of knowledge.

Now, these men have their own interests. The chemists get together with the chemists and the sociologists with the sociologists.

As I indicated in my opening statement, they often get together regionally. We are a great people for getting together. And they get together on their professional matters, just as in all other walks of life, in chambers of commerce and Rotary clubs and so on, congenial people get together.

All right. Let's build up from that. In the fields with which I am familiar you have these associations of historians and economists. They get together in the sense that once a year they meet here in Washington or somewhere else where there are appropriate hotel accommodations, and they read papers and talk, and some of the younger men look for jobs, and they renew old friendships, and they have their annual conventions. And the other thing they do together is to sponsor and publish a learned journal, where the articles can be published and the books in the field reviewed.

Now, this is a part of the great associational activity of the United States. D'Toqueville, when he came here in the middle of the 19th century, looked around, and he saw this rich associational life—no monolithic state. The problem was to give the Government enough leeway at times to do some of the minimal jobs. The problem here of the associational life of the country was of the essence of freedom.

Well, the same pattern holds for industry and labor, and so on, this freedom to associate and to share common interests.

Well, now, without going into a long history of the foundations, we know that as wealth accumulated, around the turn of the century, a great industrialist such as Andrew Carnegie faced the problem of what to do with his wealth, whether to follow the European pattern of just willing it all to his descendants. That, obviously, is in the feudal tradition. But over here this peculiar, unique American phenome-

non, the foundation, started off most dramatically, most importantly, with Carnegie, and a few years later with the Rockefeller Foundation.

The point that is so important here is to see that you have a large and diverse group of people, with great independence of mind, and with their own interests; and the foundations want to advance some aspect of social welfare.

Now, in our great foundations, the terms under which they operate are very broad. The advancement and dissemination of knowledge, or the welfare of mankind. The problem is: How do you move from that broad mandate into something tangible, something particular? Who is going to do what? And the problem of the foundation officer and the problem of the foundation trustees is to go from these broad objectives of human welfare down to something particular, specific, defensible, understandable, something that will advance the broader purposes.

Now, the foundations have a problem, in exercising judgment, and in deciding, with their limited resources, which of the various opportunities for investing some of this money in good ideas and social purpose can be selected. So that you have on the one hand people who have various things they want to do in their own research and their teaching, and on the other hand you have quite limited foundation resources.

As I was saying, I think one of the important points brought out in the inquiry thus far is that there are a great many foundations in the United States, some six or seven thousand, I believe. I was scarcely aware there were that many. But here again, I want to talk out of my own experience. And over the years of the council's life, we have received support, grants, from about a dozen or so foundations. In other words, the number of foundations with an interest in the social sciences is a very limited number of foundations.

So let's get that sense of perspective into the picture.

Mr. KOCH. Could you at this time name the principal ones? I was going to that later, but why don't we get it now? The principal contributors to your organization.

Mr. HERRING. Well, I filed that with you, and you have a list of all the money we have gotten from all the sources.

Mr. KOCH. I do not have a list here.

Mr. HERRING. Yes. Well, I have it before me. I have before me: "Summary of disbursements under appropriation, by donors, from June 1924 through April 30, 1954," and that goes back to the beginning of the organization. I have 24 items on this list. If I pick out the principal ones, which are the ones you wanted——

Mr. KOCH. And would you mind then offering the list as part of the record? Mine doesn't go up beyond 1951.

Mr. HAYS. I suggest, Mr. Chairman, that the witness offer the list and make it part of the record, and if there are any specific questions, they can be asked, but I don't think we want to take the time to read all these statistics.

Mr. KOCH. No; we don't. I agree with you. I just thought he could mention a few of the important foundations, and not go into dollars and cents.

Mr. HAYS. I think it would be well to have the entire list incorporated into the record at this point, and then the witness can make any comments he desires.

Mr. KOCH. All right. You offer the entire list, and then just mention the top five that you can think of that have contributed.

Mr. HERRING. In looking over this list, I see the Laura Spelman Rockefeller Memorial, the Rockefeller Foundation, the Carnegie Corporation, the Julius Rosenwald Fund, the General Education Board, the Ford Foundation. Does that Suffice?

Mr. KOCH. That is all right.

Mr. HERRING. So we herewith offer the list for the record.

Mr. GOODWIN (presiding). It may be admitted.

(The list referred to is as follows:)

Summary of disbursements under appropriation, by donors, through Apr. 30, 1954

	Disbursed
Laura Spelman Rockefeller Memorial	$2,340,512.22
Rockefeller Foundation	6,120,935.05
Mr. John D. Rockefeller, Jr	15,559.06
Russell Sage Foundation	113,551.66
Carnegie Corporation of New York	2,111,575.58
Commonwealth Fund	5,000.00
Mr. Julius Rosenwald	50,000.00
Mr. Revell McCallum	1,489.55
Julius Rosenwald Fund	68,407.88
Carnegie Foundation for the Advancement of Teaching	10,000.00
Maurice and Laura Falk Foundation	3,000.00
General Education Board	242,182.37
Spelman Fund	67,500.00
W. E. Upjohn Unemployment Trustee Corporation	23,745.65
Committee of Trustees on Experimental Programs	76,326.19
Scripps Foundation for Research in Population Problems	3,332.21
The Grant Foundation	11,583.63
American Philosophical Society	7,500.00
The John and Mary R. Markle Foundation	181,137.47
U. S. Bureau of the Census	128,219.86
Ford Foundation	396,392.19
Twentieth Century Fund	150,000.00
Rockefeller Brothers	8,042.86
Total	12,135,993.43

Mr. HERRING. The picture I am trying to get before you then in terms of my own experience is the fact that there are a limited number of these foundations with an interest in these social-science fields. And let me survey briefly for you this problem of the relations between an organization such as the council and the foundations.

In the first place, the foundations make substantial grants directly to universities.

A point that I want to emphasize, in order again to get some sense of proportion into this thing is this: Our best estimate is that probably about $12 million from foundation sources goes annually to social-science research, broadly construed. The Council has funds that amount to about one-tenth of that. Now, I wish Mr. Reece were here, because I think this relates to a problem on his mind. We are one of many organizations. We are a part of this great associational life of the United States. And we have a special focus on the advancement of research. There are many other organizations dealing with many other problems. We have our problem, our interest, our focus, and we have these resources.

Now, I would like to offer this as an exhibit. I wouldn't want to burden the record with this, but we could pass it up to you. Here is

A Directory of Social Science Research Organizations in Universities and Colleges, prepared by the committee on organization for research, Social Science Research Council, June 1950; and in this publication you will find listed the names and addresses of 281 organizations conducting or financing research in the social sciences in 104 universities and colleges. And here are their names and addresses. And I think this a fairly concrete illustration of the fact that we are dealing with a great many organizations, and here are the ones in the universities that are concerned with this field.

Mr. GOODWIN. You are not offering these for the record, but just by reference?

Mr. HERRING. Yes; just as an exhibit, Mr. Chairman.

(The document referred to was filed for the information of the committee.)

Mr. HERRING. The Social Science Research Council has demonstrated its capacity over a 30-year period as a highly responsible group to consider the leads, the ideas that individuals have, and their research ability, their possible significance for the advancement of the field. The council provides an opportunity for specialists, working at the growing edges of knowledge, to identify new leads, to appraise existing state of knowledge, to work out concrete next steps, to evaluate research holding out the most promise. That is where we focus our attention.

Maybe one way to get the matter before you more vividly would be to offer an illustration. Let's take the history of an idea and how it goes through our procedures.

A few years ago, one member of the council, a member of our board of directors, who was trained both in psychiatry and in anthropology, came to me, and he said, "I am very much interested in"——

Mr. GOODWIN. We will recess at this point and will resume, subject to the call of the Chair, I should say in about 8 or 10 minutes.

(Short recess.)

The CHAIRMAN. The committee will resume.

If you will permit a diversion before you proceed with your testimony, Mr. Adams, who had expected to be called in this morning, has prepared a statement, which has been given to the press. If there is no objection, that statement will be admitted into the record to appear at the conclusion of the statement and questioning of Mr. Herring; and then Mr. Adams will appear and take up from there.

Mr. KOCH. Could we ask Dr. Adams whether that is agreeable to him?

The CHAIRMAN. I had so understood. That is agreeable with Dr. Adams.

Mr. ADAMS. Mr. Chairman, I am at your disposal, sir.

The CHAIRMAN. Without objection, it is so ordered.

Mr. HERRING. Mr. Chairman, when we broke for the recess, I was about to embark on a description by way of illustration of how an idea that is brought up by an individual research ban is discussed and developed, and so forth. But I think rather than pursuing that, I would just like to say that with reference to this general point we were discussing, namely, the problem of whether there is control of research, the problem is rather one of recognizing a good idea when you see it, deciding whether to encourage a man with one idea or not.

It is not a matter of control. It is a matter of recognizing and assisting.

So that I think, since the time goes by so rapidly here, it might be better for me to pause at this stage, because I could go on for quite a while, and say to you that if there are questions the counsel would like to raise, or anybody else, it might be better, and then if I have further ideas I could bring them in. But I would like to complete my visit with you today, so that if there are questions you want to raise, I want to be sure we allow ample time for any questions.

The CHAIRMAN. You may proceed, Mr. Koch.

Mr. KOCH. Mr. Herring, first let me point out what my problem and Mr. Wormser's problem is; that is, to get the benefit of your points of view—and, of course, we have already covered a lot of it—as to these criticisms or suggestions that have been raised by previous witnesses.

I want you to know that there was no intention on our part to make any charges. Frankly, I don't think we have a right to. We have a right to bring before the committee, who are the judges, such criticism or arguments as have been made, and we now welcome your help in helping us try to appraise whether some have merit or whether they have not.

Now, in that connection, I would like to review the particular points that we are concentrating on, so that when we ask you questions: and I am going over your statement—you will have those in mind and can give me whatever you like.

For instance, we have, as you have heard before, the possible concentration of power caused by united or concerted action on the part of the larger foundations, thus tending toward conformity or a threat to a free interplay of ideas. Always listen to the "possible" part, because that has been mentioned by people who come as professors of eminent universities. It has been raised, and there is the possibility, as far as I am concerned—and certainly until all the facts are in I wouldn't attempt to appraise the matter as to whether that is on the road to control or it isn't.

Then the possible creation of an elite group of social scientists who are called upon from time to time to advise the Government on problems of importance in their field. And then, of course, whether certain types of social-science investigations are not the proper subject of grants; that is, the results might be too questionable, or the particular thing is too hard to appraise or too hard to control. You will recall that that type of criticism has come before the committee.

Then, of course, and you mentioned it before, but I will come to it later, the presence of an interlock of directors and administrative heads among the various foundations, which might lead to uniformity and ideas or concerted motion in favor of certain types of action.

And finally, even if nothing has been done by the foundations in the past which was detrimental to the public, is there a latent power in the foundation setup which, falling into hands less respectable than those of yourself and the many others we have identified as the heads of the foundations today, if that power gets into bad hands, would be of danger to the public? And if so, is there anything we can do to protect ourselves?

Mr. HAYS. Are you asking those questions en bloc?

Mr. KOCH. No, Mr. Hays. I wanted to point out the particular specific questions I am going into in an attempt to cover those points.

I am certainly not asking him now to give us an answer on that. But those are the questions I feel he can be very helpful to us on, and those are the things I feel eventually the committee will have to appraise.

So with that in mind, I will go into your statements, and certain of the questions won't follow the order of these general propositions.

Now, I am referring to your introductory statement, Mr. Herring. Near the bottom of the first page there is this sentence:

> In view of the references to collectivism, I am sure that we share of a feeling of caution concerning governmental intervention and control over education and research.

Now, if that control might be something other than governmental, but still control, we would likewise be concerned about that, wouldn't we, Mr. Herring?

Mr. HERRING. That is right. There is no question about that.

Mr. KOCH. Now, let's skip to page 4. A little bit more than half way down on page 4:

> I know of no reliable method of analysis for establishing cause and effect relationships between such ideas and what has happened in our recent history.

Now, for my help, do you believe that as a general statement we cannot establish a clear causal relationship between an idea and what has happened?

Mr. HERRING. Well, I think problems of historical causality are exceedingly difficult ideas to work with. I recall we had a committee on historiography, and one of the problems discussed by that committee was the problem of causality. What causes what? This group of eminent historians went into that at some length, and just made the point that we tend often to be much too superficial in attributing causal relationships. You can offer interpretations. It goes back to Congressman Goodwin's point again, that there are certain historical facts. You can say a certain thing happened on a certain date. But as Congressman Hays pointed out when they discussed this matter: How do you get at any one definitive final causal statement? There are these matters of interpretation.

Mr. HAYS. Well, you might ask this question. Back in the 1930's, I very well remember that there were farmers with pitchforks out threatening tax collectors, and notably in the very conservative State of Ohio. Do you know whether there is any way you can figure out whether any idea caused them to go out there, or the economic conditions of the time?

Mr. HERRING. That is right. I get my sensitivity by associating with historians, who are even more sensitive about it. But how can you get at these sweeping generalizations? It is said, for example, that a decline in the production of wheat would cause certain political repercussions. That is a sweeping assertion that is made. The historian has to go to the place of wheat at a certain place at a certain point in time and see whether it was that price of wheat at that point in time that bore some relationship to this hypothesis as to cause.

The CHAIRMAN. Insofar as we members of the committee can restrain ourselves, I am inclined to think that it would make for expedition and orderly procedure if we were to let the counsel conclude his questions, and then we will have ample opportunity to raise any questions that we want to raise. That does not mean that we should not interrupt, but I am just throwing out a caution in that respect.

Mr. HAYS. I will try to abide by your wishes, Mr. Chairman, but I fear that it is going to be very difficult for me at times to restrain myself.

The CHAIRMAN. But the depression and pitchforks against tax collectors is not now particularly pertinent.

Mr. HAYS. It is very pertinent, if you will read from the portion on page 4, as to whether or not you have any—

reliable method of analysis for establishing cause and effect relationship between such ideas and what has happened in our recent history.

Now, if you can think of a more pertinent example, Mr. Chairman, I would be glad to have it.

There may be one coming up in November, if you want to go out and be a prophet, about the price of wheat, as somebody has mentioned, and what may happen next November. There might be a very interesting possibility for some research there.

Mr. GOODWIN. You will have some others under strong temptation to make speeches here if you continue.

Mr. HAYS. My best political advice, Mr. Goodwin—and I wouldn't care to offer it to you, but to anyone coming from a district in New England, where there isn't much wheat raised—would be just to stay out of that wheat argument and try to get elected on some other ground.

Mr. KOCH. Now, Mr. Herring, isn't it part of the claim of the social scientists, particularly those that specialize in the empirical research, that by observing the behavior of man and what is going on in society, one can establish such a cause-and-effect relationship?

Mr. HERRING. I am very glad you raised that question, Mr. Koch, because it gives me a chance to explain a point.

Mr. HAYS. Right there, would you mind repeating the question? I didn't hear the first part of it.

Mr. KOCH. Yes. Isn't it a part of the claim of the social scientists, especially those that are specializing in the empirical research, that by observing the behavior of man and what is going on in society, one can establish such cause-and-effect relationship?

Mr. HAYS. Thank you.

Mr. KOCH. Now, will you help us out?

Mr. HERRING. Take your own language, Mr. Koch: Observing the behavior of man and what goes on in society. Social scientists do not attempt to observe the behavior of man. "Man" is an abstract. You can observe the behavior of Mr. Koch.

Mr. KOCH. I would rather you would not. But go ahead.

Mr. HERRING. You can analyze the words he uses. You can observe his gestures. You can give him certain tests. You can measure his I. Q. with a fair amount of certainty. In college, if you take scholastic aptitude tests, you would find over the years that those tests would indicate pretty clearly whether you are going to be a pretty good student or not.

The important thing to nail down here is that this empirical work doesn't operate at this range of generality about man and society. It deals with men that you can observe, doing things that you can observe, and then figuring out if there is some way, in this particular instance, with respect to the particularities, under which hypothesis can be adumbrated with reference to the observed behavior. It is not man in the abstract.

Mr. KOCH. Isn't it possible then for the social scientist to know as well whether I am going to explode, as whether Mr. Franklin's boiler is going to explode? Those scientists have a much easier job to check on the social effects, don't they, in the physical sciences?

Mr. HERRING. I am much impressed with advances that have been made in fields dealing with human tensions and mental illness. It is one of the most important problems before us at the present time. As a matter of fact, it was the illustration I was going to offer earlier, because I think it is so important.

We have in our hospital beds in this country about half a million mentally disturbed patients, and the problem of what to do with that great burden of the mentally ill is not only a problem of a human sort. It is a terrific tax problem. It is one of the great drains on our resources.

Mr. HAYS. Yes, but, Dr. Herring, I am trying to be helpful, and I don't think you are quite specifically getting at the question Mr. Koch asked. I will rephrase it in my own words as I see it. Maybe I am not, either. What he is saying, I think, is that you can put a pressure gage on a steam boiler that will tell you within a few degrees of the probability that that thing will explode if it goes beyond a certain range, but you can't put any gage up to a human brain to tell you at what point it is going to be so overtaxed that it becomes necessary for the possessor of it to become a patient in one of these beds.

Mr. KOCH. That is right. And by merely counting the number of patients in the hospitals and also finding out that so many came from the slums and so many came from the union of first cousins, that still won't tell you the whole story. I mean, you may have to go into their religious background, the background of the patients, and what not. And so that is the problem. How accurate can they be in the social sciences?

Mr. HERRING. Well, you haven't even started to ask the questions that have to be gone into. You haven't even scratched the surface. If you want to get involved in psychoanalysis, there is just no end to the matter of what you go into. But the point that I would defend here and try to explain to the committee is that when you are faced with a problem such as mental illness, you want to use every device that you can think of for understanding the character of the mental disorder. But obviously you haven't gotten very far if you have just counted the number of sick people you have. But you want to understand all you possibly can about their personalities and their development as individuals and their family relations and the whole history. And you want to go beyond those superficial matters and get some understanding at a deeper level of them as human beings. And what I wanted to say was that I think that a very encouraging amount of work is going forward in trying to penetrate further and further into the nature of human personality.

Mr. KOCH. Now, on page 5, Mr. Herring, at the bottom, with respect to this sentence:

> The staff has tried to call into question the efforts of the very individuals and institutions who are devoting their resources and energies to the increase and dissemination of knowledge and the protection of the American way of life. The picture that has been presented to the committee does not accord with my own observation and experience.

Well, now, you wouldn't claim, however, that the social scientists have a monopoly on the dissemination of knowledge and the protection of the American way of life?

Mr. HERRING. Not for a moment.

Mr. KOCH. I imagine to a very minor extent the lawyers may have their ideas, the ministers theirs, and you don't claim that you have a monopoly on the part of your social scientists?

Mr. HERRING. Not for a minute.

Mr. KOCH. Page 6:

We are told, in effect, that a few organizations constitute an efficient integrated whole, tending to work against the public interest.

Would you agree with me that if we were to find that there are a few organizations who constitute an efficient integrated whole, and further find that they are harmless, or even beneficial—do you, as a political scientist agree it is against public policy in the United States to let such an efficient integrated group become too powerful?

Mr. HERRING. Well, as a political scientist, if you want to drape that cloak around me, which I haven't had the privilege of wearing professionally and actively, I would, going back, be very hesitant indeed to offer any unconsidered horseback judgments on a highly hypothetical question. So don't rouse my professional instincts here with that kind of a question.

If you phrase it, perhaps, in more down-to-earth terms, and say, "As a man in the street, what do you think of," whatever it is, I will try to give you a horseback judgment.

Mr. KOCH. You go around with a lot of people who have probably voiced their opinions on matters of this sort. If you have no opinion whatsoever, we, of course, will skip it. But if you have, it is a problem that interests me, and if you have an opinion, I would respect it, even though you don't.

Mr. HERRING. Well, now, let's get it clear. "A few organizations constitute an efficient integrated whole." Well, I don't know what they are and never heard of them, and if you can name them to me, I can respond. But I can't give any answers in general about unnamed organizations. So you name them, and I will respond.

Mr. KOCH. No. The theme is this: And as I say, whether the facts support it, I am a long way off from deciding. But there evidently is this fear expressed that through the social-science group we may be creating an elite group of social scientists, who are very capable men and are very honorable men, but they are so capable that when we have problems in government, the Government, being busy as it is, the Congressman, et cetera, would naturally run to the experts.

Now, if it is only one group, without a competing group, and that one group isn't elected by the people, isn't removed by the people, isn't appointed by governors or presidents, would you say, and I am speaking merely as a matter of good government, that that might be an unwholesome situation?

Mr. HERRING. In the first place, I don't know who the "we" is; whether you are using an editorial "we" or speaking for the staff or the committee, or these disgruntled people. So, first, tell me the "we." But in the second place, who are these few, this elite? I don't get it.

Mr. KOCH. I said "if there were."

Mr HERRING. Well, if your question is "If there is a bad elite, and they get power and handle it badly, would that be bad"——

Mr. KOCH. No. My question is: If there is a good elite, and it gives excellent advice, is it still a matter of good government to have those people give advice which is eagerly sought, though they are not elected by the people?

Mr. HERRING. I didn't know that we carried our history back to Plato.

Mr KOCH. I didn't know I was talking on that subject.

Well, what would Plato say if you didn't seem to want to say it?

Mr. HERRING. Plato came out in favor of guardian kings, but he hedged around it with a lot of philosophical safeguards so that it worked out pretty well.

If what you are trying to ask me is if I would approve of the Government in the United States of America by some unnamed elite of intelligent, well-meaning people, I would say: I prefer the Congress of the United States.

Mr. KOCH. Well, Plato might not agree with you, but I do.

Mr. HERRING. The more I have studied the Congress over the years and observed them, the more impressed I am that it is a great country. And I don't share a good many of the animadversions that go around. Now, as to these few organizations, I don't know what few organizations you are talking about here.

Mr. HAYS. Are you disagreeing with this praise of the Congress, Mr. Koch?

Mr. KOCH. That is not a charge that has been made by the staff in their report, that there was a bad Congress.

Mr. HERRING. I don't know whether you are agreeing with Plato.

Mr. KOCH. I would never take him out of context.

Mr. HAYS. I don't believe I have quoted from the Bible today, and at this time I think it would be a good place to quote from the Bible, the Book of Job, chapter 15, verse 2: "Should a wise man utter vain knowledge, and fill his belly with the east wind?"

The CHAIRMAN. I think that has but little place here, but we are very glad to have it in the record, to indicate the gentleman's wide expanse of knowledge.

Mr. HAYS. I will admit I can't quote the Bible verse by verse, but I am sure that verse had a very distinct application to the particular hypothetical question in mind. And I would recommend to the chairman of the committee that he might be able to take the Book of Job and recall some more applicable verses in it.

The CHAIRMAN. When I quote from the Book of Job, I quote on the basis of my own reading of it.

Mr. HAYS. Perhaps if the gentleman is insinuating that I got the verse from someone else, I might go further with that insinuation and say: Is he trying then to make some excuse for the fact that he hasn't participated very much in the questioning so far?

You have a staff of 16. They ought to be able to furnish some questions.

I want you to understand one thing. With the exception of one staff member, any help I get, Mr. Reece, is purely voluntary. Somebody furnished me with about 30 editorials, very critical of you and this committee, from some of the most prominent papers in the United States. I can't afford a clipping service. I don't have a staff to clip them. But somebody, thank God, volunteered to send them to me. I expect to use them from time to time.

The CHAIRMAN. In answer to the implications that you have many times made, the Chairman doesn't consider the staff as his staff. They have given him no questions. He has asked for no questions. He has asked for no personal service from the staff, and I am sure Mr. Goodwin hasn't. The only member of the committee that has a member of the staff assigned to him personally is the gentleman from Ohio, and I am glad that the committee is in a position to do that. I think it is all right. But at times I do have some question whether the committee rostrum up here ought to be made a clearinghouse for people who have personal interests involved in the audience, to have their views transmitted to the record, and take up the time of the witnesses that might be appearing.

Mr. HAYS. Mr. Reece, you can question it all you please, but this committee rostrum will be a clearinghouse at any time I feel like making it one to get at the truth or to make any pertinent observations I want to make. And I want to say to you right here and now that it is going to be a little difficult without that to get at the truth, because if there was ever a loaded staff report, the ones we have had from this staff have definitely been loaded. And it is significant to me that out of 30 editorials I have in my possession, starting with the New York Times and going down to one editorial that was requoted in numerous papers, from Twin Falls, Idaho, to Lima, Ohio, and Attleboro, Mass., there hasn't been one single editorial in any newspaper that I have come across that hasn't been critical of the staff report. Now, maybe the staff is right and everybody else in the United States is wrong, including me, Mr. Reece, but I am willing to take my chances.

The CHAIRMAN. As the chairman said initially, he is undertaking and I am satisfied the majority of the committee is undertaking to make an objective study. I am satisfied that the staff has no other purpose in mind except to help the committee make an objective study. But influences outside of the committee do not have the responsibility for the work of the committee. While we are very glad to have the views of the editors of the various papers, they are not matters of great concern so far as determining the direction of the study is concerned.

Mr. HAYS. It is very indicative, however, of how far the gentleman has been able to impress the reliable editors of the country with his objectivity. And without burdening the record with any more at this point, I might just quote from the Denver Post of May 7. The lead editorial says:

We must keep an eye on Mr. Reece.

Mr. GOODWIN. Mr. Chairman, might I inquire if anybody knows where we were at the detour?

Mr. KOCH. With the wind from the east.

The CHAIRMAN. By all means, I think we should continue. I am satisfied that the witness who is now appearing before us does not feel that he has been harassed, as have some witnesses with whom the gentleman from Ohio has disagreed. He is not going to be harassed. He is not going to be unduly burdened, I am satisfied, by anyone. And I join in the wish of the gentleman from Massachusetts that we might proceed without unlimited interruptions.

Mr. HAYS. Well, I will have to make a little statement before that. Of course, the gentleman isn't going to be harassed, and of course he isn't going to be picked on, because he is the first witness who has

come before this committee who had a sensible statement. And you can't pick any flaws in it, or any very significant ones, and if you could, you would be undertaking to do it. Now, let's face the facts. That isn't the reason he isn't going to be harassed much. In other words, in plain down-to-earth language, he isn't dealing in that little phrase that I like so much, psychoceramics. That is high-class English for "crackpots."

The CHAIRMAN. Before we deal with the facts, they will have to be presented, and the gentleman from Ohio is not presenting the facts. The witness is dealing with factual matters.

Mr. HAYS. He certainly is. That is what I am trying to say, that he is the first witness who has dealt with factual matters. I agree with you, Mr. Chairman, on that.

The CHAIRMAN. The gentleman from Ohio is not the only one interested in facts, and I will put the reputations of the other members of the committee up with that of the gentleman from Ohio.

Mr. HAYS. You don't have to come to the defense of the other members of the committee. Let them speak for themselves. I am sure they are interested in the facts, some of them. The gentleman from Massachusetts has indicated that he is interested in getting at the facts, and I wouldn't even say but what the chairman may have had a change of heart.

The CHAIRMAN. He has not had a change of heart, he has been interested in getting the facts all the time. The gentleman from Ohio is just incapable of visualizing and analyzing a situation when he sees it.

Mr. HAYS. Oh, I am capable of analyzing the kind of people that you have gone out and dragged up and dredged up. And, Mr. Reece, you must have had to dredge to find Mr. Sargent, and I could mention 1 or 2 more. You really had to dredge. You went way down with your dredge to get them. They are not reliable, responsive. [The chairman used the gavel.] Go ahead and hammer. I will keep right on talking when you get through.

Mr. GOODWIN. Now, Mr. Chairman, if the gentleman from Ohio indicates that he is not going to respect the gavel, as he just indicated, I am going to bring up here the question of whether or not these hearings are being conducted according to the rules of the House of Representatives, which are the rules of this committee.

Mr. HAYS. Well, I have brought that question up before and been overruled.

Mr. GOODWIN. I am rather tired of this. We have an eminent witness, who must, I suspect, or he may in his innermost consciousness, be coming to the realization that he spoke a little too early in his praise of Congress, if this is an example of the way congressional hearings are conducted.

Mr. HAYS. I heard you say you are getting tired. Do you know what I am getting tired of? I am tired of you taking one position in public with pious speeches and then running to me in secret and saying, "You know whose side my sympathies are on." Why don't you act like a man?

Mr. GOODWIN. Now, Mr. Chairman, I am going to ask for the rules of the House, and I am going to say that the gentleman from Ohio is out of order. He is impugning the motives of the chairman and the members of this committee.

Mr. HAYS. You wouldn't say I am not telling the truth, would you?

The CHAIRMAN. The gentleman is out of order. He has impugned the integrity of every man about whom he has talked.

Mr. HAYS. No, Mr. Chairman, don't make the statement that I have impugned the integrity of every man I have talked about.

The CHAIRMAN. The other members of the committee.

Mr. HAYS. No, not the other members of the committee.

In the first place, I haven't talked about any other members of the committee than two.

The CHAIRMAN. Whether you impugn my motives is immaterial.

Mr. HAYS. I wouldn't try to impugn your motives. Your motives have been clear from the beginning. Anybody who read your diatribe in the committee would know what your motives are.

The CHAIRMAN. The committee will proceed. Or, if not, we will have a motion to proceed.

Mr. HAYS. I suggest that we recess for lunch. It is past 12 o'clock. Maybe by 2:30, or so, we can get our motives straightened out.

The CHAIRMAN. I would regret to have the impression go out that the committee was incapable of orderly procedure, and if the gentleman from Ohio wants to create a situation which brings about such a course of action, of course, it is his responsibility and not that of the committee.

Mr. HAYS. Well, now, Mr. Chairman. What are you getting at now? Do you want to proceed for another 20 minutes, or do you want to adjourn now, or do you want to try to impugn my motives? Just let me state that I wasn't the one who dreamed up the idea of spending $150,000 of the taxpayers' money for an Alice in Wonderland investigation which came out with the verdict before it heard the evidence. You did that.

The CHAIRMAN. Well, it is generally known that I was the author of the resolution. If you think there ought to be a witness brought in to establish the fact that I authored the resolution in the House, I would be very glad to have a witness called to that effect. But it is my responsibility, and I am pleased to admit it without its being brought into evidence.

You may proceed.

Mr. KOCH. We had been talking about the unknown elite, and then you said something with respect to the unknown social scientists.

They have dedicated their lives to research or teaching, or both. They have an extraordinarily high sense of civic duty and respect for truth.

Are you putting them up a little higher than the others in your statement there?

Mr. HERRING. There is my statement, Mr. Koch.

Mr. KOCH. It wasn't your intention, then, to set them up above anyone else?

Mr. HERRING. Clearly not.

Mr. KOCH. All right. On page 7, the first sentence of the first full paragraph:

This development was possible in the United States—

comparing it with Europe—

because of our greater willingness to experiment. Our expanding universities could give opportunity to research men who wished to explore new leads.

Well, of course, in addition to that is the fact that in America the magnetic power of money made experimenting and research more possible here than in some of our starving European governments; isn't that true? I mean, the fact that there was a lot of money available here might have provided some cause for that greater research over on this side.

Mr. HERRING. You certainly can't build a cyclotron without money; and research is costly.

The CHAIRMAN. Some of the members have noon engagements. If there is no objection otherwise, the chairman will recess the hearing until 2 o'clock to meet in this same room.

(Whereupon, at 12:10 p. m., a recess was taken until 2 p. m.)

AFTERNOON SESSION

(The hearing was resumed at 2:15 p. m.)

The CHAIRMAN. The committee will come to order.

The chairman wishes to make a statement.

The chairman feels very deeply the responsibility which he has to protect the witnesses who appear before the committee, the employees of the committee, and the members of the committee, and to maintain the dignity of the committee, the dignity of the House, and to uphold the rules of procedure of the House and of the committees which operate under the procedures of the House. In view of the very unfortunate incident that happened this morning, following similar incidents, coupled with the fact that Mr. Goodwin cannot be here at this time due to another very important engagement which has developed, and also to give time to reflect upon this very serious situation that confronts the committee, the committee will stand in recess until 10 o'clock Tuesday morning.

(Whereupon, at 2:15 p. m., the hearing was recessed until 10 a. m., Tuesday, June 22, 1954.)

NOTE.—*On Friday, June 18, 1954, the chairman notified the members of the committee that matters requiring his absence from the city had arisen, and the hearings scheduled for Tuesday, June 22, 1954, was postponed until Thursday, June 24, 1954. At the request of Mr. Wayne Hays, a member of the official delegation leaving June 24 to accompany the body of Mr. Farrington to Hawaii, the chairman again postponed the hearings until a later date.*

TAX-EXEMPT FOUNDATIONS

FRIDAY, JULY 2, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

The special committee met in executive session, pursuant to call of the chairman, Hon. Carroll Reece, and the following resolution was passed:

Now be it resolved that in lieu of further public hearings and in order to expedite the investigation and to develop the facts in an orderly and impartial manner, those foundations and others whose testimony the committee had expected to hear orally be requested to submit to the committee through its counsel within 15 days sworn written statements of pertinence and reasonable length for introduction into the record—such statements to be made available to the press—and that the committee proceed with the collection of further evidence and information through means other than public hearings.

TAX-EXEMPT FOUNDATIONS

FRIDAY, JULY 9, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO INVESTIGATE
TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

Pursuant to resolution of the committee on July 2, 1954, at the instruction of the chairman, the balance of the staff report prepared by Kathryn Casey, legal analyst, on the Carnegie and Rockefeller Foundations, was incorporated in the record of proceedings.

(The report follows:)

SUMMARY OF ACTIVITIES OF CARNEGIE CORP. OF NEW YORK, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, THE ROCKEFELLER FOUNDATION

PREFACE

Comments made following presentation of the first part of this summary of the activities of the Carnegie and Rockefeller philanthropic trusts indicate a rather widespread misconception among foundation executives both as to the purpose of chronicling their activities in certain fields, and also as to the requirements of House Resolution 217—under which this and all other staff reports have been prepared.

While varying somewhat in phraseology and manner of persentation, the theme of these comments was essentially the same, namely: Why has the staff disregarded the many "good things attributable to the foundations?

The best—and the only answer—is that the work of the staff, including both research and the preparation of reports, has been carried out in the light of the language in the enabling resolution by which the committee

> * * * authorized and directed to conduct a full and complete study of educational and philanthropic foundations * * * to determine if (they) are using their resources for purposes other than (those) * * * for which they were established, and especially * * * for un-American and subversive activities; for political purposes; propaganda, or attempts to influence legislation.

There is no distinction here as between so-called good or bad activities of the foundations—nor is there a direction to scruitinize the activities of foundations generally and report on them—only an admonition pinpointed toward specified types of activities.

It has been with that in mind that reports and statements of the Carnegie and Rockefeller organizations have been carefully studied, as well as books written about them.

It has been with that in mind that the summary of their activities has been prepared.

II

At the same time that Carnegie and Rockefeller agencies were concentrating on the "chaotic condition" of education in the United States (discussed in I), organizations bearing the same family names were focusing attention on other types of conditions which in the opinion of the trustees required improvement. While these so-called problems covered such varied fields as public health, malaria in Africa, and exchange of profesors and students of international law, there was an indirect relationship between them, and also between them and education: namely, all of them were on the periphery—if not directly in the center—of international relations and governmental activities.

That both the foundation and the endowment did carry on activities which would directly or indirectly affect legislation is borne out by their own statements, as found in their annual reports.

That they both engaged in propaganda—as that word is defined in the dictionary, without regard to whether it is for good or bad ends—is also confirmed by the same source.

That both had as a project forming public opinion and supplying information to the United States Government to achieve certain objectives, including an internationalist point of view, there can be no doubt.

None of these results is inherent in the purposes of either of these organizations.

Attached to this are abstracts from the yearly reports of both organizations (identified as Exhibit—Carnegie Endowment for International Peace and Exhibit—Rockefeller Foundation and arranged chronologically), to which reference will be made from time to time in support of statements as to the type of activity carried out by the endowment, and occasionally short material of this nature will be incorporated into the summary. This method has been chosen because it will materially shorten the text of the summary itself, and still give the members of the committee the benefit of having before them statements made by both the endowment and the foundation.

As in part I, this portion of the summary of activities is concerned only with stating what was done by the Carnegie and Rockefeller agencies, the time of such activity, and the results, if any.

Purposes

The endowment by its charter was created to:

> * * * promote the advancement and diffusion of knowledge and understanding among the people of the United States; to advance the cause of peace among nations; to hasten the renunciation of war as an instrument of national policy; to encourage and promote methods for the peaceful settlement of international differences and for the increase of international understanding and concord; and to aid in the development of international law, and the acceptance of all nations of the principles underlying such law.

To accomplish its objectives the endowment had three divisions, each having distinct fields of activity, particularly when originally established, but as will be seen some of their operations have become somewhat interwoven.

The primary objective of the division of international law was the development of it, a general agreement—accepted by all nations— as

to its rules, accompanied by establishment of better understanding of international rights and duties, and a better sense of international justice.

The division of economics and history had its program outlined at a conference at Berne which laid out a plan of investigation to reveal the causes and results of war. Many of the topics bear a rather close resemblance to effects now found in the national life.

The purposes for which the division of intercourse and education was instituted were the diffusion of information, and education of public opinion regarding, not only the causes, nature, cultivation of friendly feelings between people of different countries and effects of war, but also means for its prevention; maintenance, promotion, and assistance of organizations considered to be necessary or useful for such purposes. It was first referred to as the division of propaganda [1]—a name changed at the time it was formally established.

This division from the beginning expended much more money than did the other two divisions, or the office of the secretary.

Compared with the activities of the other two divisions in these early years those of the division of economics and history were fairly routine, although with the outbreak of the First World War it was to start on what developed into some 30 volumes of the economic history of that war. While some of the economic measures which were covered in that history and in other phases of the divisions were significant in the light of the types of controls which were established in this country during the Second World War, it is really with the work of the other two divisions that this summary will primarily concern itself, since their activities were more often in the international relations, propaganda, political, and government relations areas.

The Rockefeller Foundation has a much more general and more inclusive purpose: "To promote the well-being of mankind throughout the world." There is scarcely any lawful activity which would not come within that classification, and undoubtedly some proscribed by various statutes in this country might conceivably still be construed as for the "well-being of mankind" elsewhere.

Before 1929, as mentioned in the earlier portion of this summary, the Rockefeller Foundation confined its activities primarily to the fields of medical education and public health, with some attention being given to agriculture. Except in the sense that activities in each of these fields were carried on outside of the United States, they had relatively nothing to do with "international relations," but in the light of later activities of the foundation in connection with "one-world" theories of government and planning on a global scale there seems little doubt that there is at least a causative connection.

The activities of the foundation are now (and have been for some time) carried on by four divisions: Division of medicine and public health, division of natural sciences and agriculture, division of social sciences (including a section entitled international relations), and division of humanities.

It is impossible to discuss the activities of the endowment and the foundation entirely by subject headings, because one merges into the other, and therefore they will be discussed in relation to the following: International relations, governmental relations, political activities, and propaganda.

[1] Finch History.

As mentioned earlier, the primary interests of these organizations were in divergent areas, but from 1929 the activities of both the endowment and the foundation were along more or less parallel lines—although again the descriptive phraseology of the endowment is usually much more direct than that of the foundation as will be seen by quotations from annual reports of each organization.

Because of the characteristic similarity, graphically illustrated by the chart at the end of this summary, the activities of both organizations from 1929 on will be discussed together. However, since the endowment's program began prior to that time, details of it will be included first.

Endowment activities—1911–29

The endowment was dedicated to achieving world peace and in doing that it utilized every method it deemed appropriate and effective. One method chosen was international law—and it immediately set about to establish a coordinated national system of instruction throughout the country in that subject. The 1930 yearbook, page 108, refers to a meeting of international law and international relations professors who met "in conference in order to discuss and to agree upon the best methods to reach and educate the youth—primarily of the United States—in the principles of international law and the basis of foreign relations."

In addition to international law, another method selected by the endowment as a means of achieving international amity, was what throughout the years is referred to in such terms as "education of public opinion," "development of the international mind," "enlightenment of public opinion," and "stimulation of public education." This last phrase it may be noted was used by Alger Hiss in his Recommendations of the President, pages 16 and 17 of the 1947 yearbook, in which he also recommended "most earnestly" that the endowment's program for the period ahead be constructed "primarily for the support and assistance of the United Nations." At times these phrases were coupled with "diffusing information" or "dissemination of information" but more frequently they were not. This part of the endowment's work was not confined to the United States—it also selected material to be distributed abroad through various means, and circulated foreign pamphlets on various subjects in this country.

There is little doubt that the endowment regarded its work as educational and as fostering world peace—and there is equally little doubt that the work was in the international relations field, and consistently of a propaganda nature. For example, as far back as June 1917 it cooperated with the Academy of Political Science on a National Conference on Foreign Relations of the United States, the stated purpose being "to organize a campaign of education among the people of the United States on the international situation then existing."

Again in 1926 the endowment sponsored a conference on international problems and relations—the aim being to "create and diffuse in the United States a wider knowledge of the facts and a broader and more sympathetic interest in international problems and relations." Several of the topics assume significance in the light of later events—"International cooperation in public health and social welfare" and "Economic adjustments."

Viewed in the light of what the endowment did then and later in its campaign of education, and "to create and diffuse * * * a wider knowledge" as well as the agencies it chose to carry them out, these early ventures seem rather significant.

Throughout the years the reports cover such subjects as international relations clubs, international mind alcoves, international relations centers, international economic cooperation, exchange professors, international visits, and the like. Its relationship with the American Association of International Conciliation continued until 1924 when its activities were merged with those of the division. According to Dr. Finch that organization was selected by Dr. Butler as "the chief propaganda agency of the division" (p. 446 of Finch History).

The endowment was really just getting started when the First World War raised serious obstacles to its work abroad. However, before that event it had selected as "agencies of propaganda" (a name later discarded) various of the peace societies, in which Mr. Carnegie had been intensely interested.

However, some projects of importance were underway. The division of international law had surveyed the situation existing with regard to the teaching of that subject in colleges and universities in the United States, and by the time war broke out in 1914 compiled a tabulation showing the professors, instructors, and lecturers on international law and related subjects during the collegiate year 1911–12.

The immediate result of this was placing the subject of fostering "the study of international law" on the agenda of the American Society of International Law in 1914, at the request of the endowment.

From that beginning grew the great influence of the endowment in this field's increased facilities for the study of international law, uniform instruction differentiation between undergraduate and graduate instructions, and inclusion of a host of "related" subjects. According to the Carnegie Endowment History by Dr. Finch, a check by the division on the effects of its efforts showed the material increase both in number of hours and the enlargement of classes which he estimates as 45 percent from 1911 to 1922, and a still further increase by 1928. He also mentioned that in 1928 there were six former holders of the endowment's international law fellowships teaching in foreign universities (p. 319 of the Finch History).

Fellowships in international law

At the recommendation of the American Society of International Law (made December 1916) the endowment established fellowships for the study of international law and related subjects. There were 5 awarded annually to graduate students holding the equivalent of a bachelor's degree and 5 to teachers of international law or related subjects with 1 year of previous teaching experience.

A total of 212 fellowships were awarded from 1917 to 1936 (about one-sixth being renewals), of which 128 were to students and 84 to teachers. Dr. Finch states that while complete records are not available, information in the files and in Who's Who as well as personal contacts show that two-thirds entered the teaching profession and he then continues (pp. 323 et seq.):

> As the years went by, most of these teachers improved their positions. Some became senior professors or heads of departments. Three became university

presidents: Colgate W. Darden, Jr., is president of the University of Virginia; Norman A. M. MacKenzie became president of the University of New Brunswick and later of the University of British Columbia; Henry M. Wriston, after serving as president of Lawrence College, is now president of Brown University;[2] Bessie C. Randolph became president of Hollins College, Virginia, and Bernice Brown (Cronkhite) is dean of Radcliffe College. Frederick S. Dunn, of Johns Hopkins University, is now director of the Yale Institute of International Studies. Two former fellows were elected to the United States Congress, Charles West, of Ohio, and Colgate W. Darden, of Virginia. Mr. Darden then served as Governor of Virginia before he accepted the presidency of the university of his State.

Leadership has been assumed by former international law fellows in the organization and direction of community and regional centers in different areas of the country for the promotion of international understanding and cooperation in international organization. Keener C. Frazer, professor of political science of the University of North Carolina, became director of the Southern Council on International Relations. J. Eugene Harley, professor of political science at the University of Southern California, became director for the Center for International Understanding at Los Angeles, and chairman of the Commission to Study the Organization of Peace in the southern California region; Charles E. Martin, professor of international law and head of the department of political science of the University of Washington, is chairman of the Institute of Public Affairs of Seattle, and of the Northwest Commission to Study the Organization of Peace. Brooks Emeny, of Cleveland, Ohio, was director of foreign affairs council of that city, and then became president of the Foreign Policy Association in New York. Another former endowment fellow, Vera Micheles (Dean) is the director of research of the same organization.

Some 16 former fellows are now in the service of the Department of State occupying positions of varying responsibilities. The most outstanding of this group is Philip C. Jessup, now Ambassador-at-Large, and representing the Government of the United States in the United Nations and other important international conferences attempting to restore peace to the world. At least two former endowment fellows who entered the military service were appointed to responsible positions requiring a knowledge of international law. Hardy C. Dillard, of the University of Virginia, was director of studies of the United States Army's School of Military Government located at that university, and later occupied the same position at the National War College in Washington. Charles Fairman, of Stanford University, was Chief of the International Law Division of the Office of Theater Judge Advocate in the European Theater of Operations. Several former endowment fellows were selected by the Government to go on cultural and educational missions to the occupied areas, and two of them served as consultants to General MacArthur in Tokyo (Claude A. Buss of the University of Southern California, and Kenneth W. Colegrove of Northwestern University). A former endowment fellow, Francis O. Wilcox, is chief of staff of the Senate Committee on Foreign Relations, assisted by another former fellow Thorsten Kalijarvi.

Of special interest is the career of John H. Spencer, of Harvard, after studying under a fellowship. He was appointed legal adviser to Emperor Hailie Selassie, of Ethiopia before World War II. He returned to the United States and served in the State Department and United States Navy while the Italian Army occupied that country, and then returned to his former post in Addis Ababa at the urgent request of the Emperor, supported by the Department of State. John R. Humphrey, an international law fellow from McGill University, Montreal, became Director of the Division on Human Rights of the United Nations Secretariat.

He concludes with this statement:

The immediate objective, namely, to provide an adequate number of teachers competent to give instruction in international law and related subjects, and thus to aid colleges and universities in extending and improving the teaching of these subjects, was demonstrably achieved. From this selective educational group have emerged leaders of opinion as well as of action in the conduct of international relations directed toward the goal for which the endowment was founded.

[2] Dr. Wriston was elected a trustee of the Carnegie Endowment for International Peace in 1943. He is also a trustee of the Carnegie Foundation for the Advancement of Teaching and of the World Peace Foundation. He holds membership in several learned societies, is a former president of the Association of American Colleges and president of the Association of American Universities.

At the same time, the division of intercourse and education was setting out on a policy stated by Dr. Butler to be:

To lay little stress upon those aspects of peace propaganda that are primarily rhetorical and feeling in character, but rather to organize throughout the world centers of influence and constructive policy that may be used in the years to come as the foundation upon which to erect a superstructure of international confidence and good will and therefore of peace.

In view of the division's activities later in behalf of the League of Nations and the United Nations, this has a somewhat prophetic ring.

Compared with the activities of the other divisions, the activities of the division of intercourse and education were much more varied, and the yearbooks contain innumerable references to its activities which indicate that they were more concentrated in the fields covered by this summary.

One of the very first actions of the division in 1911 was the appointment of special correspondents throughout the world to report on conditions in their respective countries and on public opinion here regarding international problems between their governments and other nations. When, in the opinion of the division, it was proper, extracts were given to the American press. The decision of which to give and which to withhold was entirely within the discretion of the division, and that undoubtedly meant Dr. Butler. In view of his intense desire to achieve peace, and his equally firm conviction that an international organization could best accomplish that, it is entirely conceivable that his judgment as to the material to be released might be influenced by his own convictions and desires—and this would be equally true in the case of any human being.

The correspondents also made the endowment's work known in their countries through the press, interviews and speeches, and officially represented it at undertakings of international cooperation and understanding.

This system was discontinued in 1930 because by that time the division had established—

such a network of worldwide connections involving continuous correspondence as to make it no longer necessary to employ the services of special correspondents.

Just after the war started in 1914, the division engaged prominent persons to lecture before colleges, chambers of commerce, clubs, and similar audiences on the subject of past and present history as it related to current international problems. Among the speakers were David Starr Jordan, Hamilton Wright Mabie, and George W. Kirchwey. Dr. Butler instructions as to the endowment's purpose in sponsoring these lectures were,

This work is to educate and enlighten public opinion and not to carry on a special propaganda in reference to the unhappy conditions which now prevail throughout a large part of the world. It is highly important that purely contentious questions be avoided so far as possible and that attention be fixed on those underlying principles of international conduct, of international law, and of international organization which must be agreed upon and enforced if peaceful civilization is to continue (letter to Dean Frederick P. Keppel, May 28, 1915–16 yearbook, p. 67).

International mind alcoves

These were described in the yearbook of the endowment and typical references are given in the exhibit. Following the entry of the United States into World War I a systematic purchase and distribution of books and pamphlets dealing with international relations generally

and the causes and effects of war, as well as the possible terms of peace, was begun by the division of intercourse and education. Dr. Butler is generally credited with coining the phrase "international mind" and from the time the distribution to libraries was begun they were known as "international mind alcoves" and so referred to in the annual reports.

The endowment has described the books selected and distributed by it as "authoritative and unbiased books of a type suitable to interest the general reader dealing with the daily life, customs and history of other countries." In that connection, among the books distributed to these alcoves and to the international relations clubs (and international relations centers) are those referred to in a memorandum which forms an exhibit to this summary, and is entitled "Exhibit—Carnegie, Books Distributed." The endowment has contributed $804,000 to this activity. Dr. Colegrove's comments on some of these volumes indicate there was only one viewpoint presented—that of the one world internationalist—and books written from a strictly nationalist point of view were not included.

International relations clubs and conferences

These clubs in the United States were in part, an outgrowth of groups of European students organized by the World Peace Foundation, and known as Corda Fratres. The endowment at the request of the World Peace Foundation contributed to the Eighth International Congress of Students, and the following year (1914) the division of intercourse and education began to actively organize what it described as International Polity Clubs in colleges and universities throughout the country, for the purpose of stimulation of interest in international problems in the United States. The name was changed in 1919 to International Relations Clubs, and while interest diminished for a few years after World War I, the clubs began a steady annual increase before too long, which has been sustained to the present time.

About 1924 the first conference was organized of a federation of clubs in the Southern States, which became known as the Southeast International Relations Clubs Conference. The idea quickly spread and a dozen such regional centers were formed. (From 1921 until 1946 the endowment contributed $450,425 toward this program.)

Here again the purpose of the endowment is stated (International Relations Club Handbook, 1926) to be:

> to educate and enlighten public opinion. It is not to support any single view as to how best to treat the conditions which now prevail throughout the world, but to fix the attention of students on those underlying principles of international conduct, of international law, and of international organization which must be agreed upon and applied if peaceful civilization is to continue.

However, mere statement of purpose as frequently pointed out by the Bureau of Internal Revenue is not sufficient—the activities must follow the purpose; and those of the endowment do not bear out its statement "not to support any single view." Throughout its reports, by the books it has distributed, by the agencies it has used for various projects, by the endowment graduates which have found their places in Government—the endowment has put forward only one side of the question, that of an international organization for peace. It has not sponsored projects advocating other means.

The endowment's evaluation of these clubs is contained in frequent references in its reports, only one of which is included in the Exhibit—Carnegie, that from the yearbook for 1943, pages 37–38.

Dr. Johnson in response to a letter requesting information as to the formation and activities of these clubs, wrote the committee on April 29, 1954, and both the request and the reply are included in Exhibit—Carnegie.

These clubs were formed in 1914 and have operated for 40 years in colleges, universities, and high schools. In 1938 according to Dr. Johnson there were 1,103 clubs: 265 in high schools and 685 in colleges and universities throughout the United States; with 11 scattered in the Philippines, Hawaii, Alaska, Canal Zone, and Puerto Rico; 24 in the United Kingdom, 34 in 14 Latin American countries, 22 in China, 9 in Japan, 2 in Korea; and the remaining 51 in Canada, Egypt, Greece, Iran, Iraq, Siam, New Zealand, Australia, South Africa, Syria, and India.

Dr. Johnson's concluding statement that "a contribution was made to a better understanding of the responsibilities which our country now bears as a world power" is quite understandable under the circumstances. Some of the other aspects of these clubs will be discussed in connection with the Foreign Policy Association.

Visiting Carnegie professors

In addition to the exchange professors of the division of international law the division of intercourse and education in 1927 initiated its own plan of exchange professors. It was inaugurated by sending abroad the directors of the other two divisions as visiting professors that year, Dr. James Scott Brown going to lecture at universities in Latin America and Spain, and Dr. James T. Shotwell being sent to Berlin. The other prominent Americans closely identified with this field who went abroad to represent the endowment were Dr. David P. Barrows, former president of the University of California, and an elected trustee of the endowment in 1931; and Dr. Henry Suzzalli, former president of the University of Washington at Seattle and chairman of the board of the Carnegie Foundation for the Advancement of Teaching. The exchange professors were not restricted to international law and political science, but included professors of public law, history, and other subjects.

The endowment also arranged for European tours for newspaper editors, and a reciprocal tour of the United States for a group from Europe.

Political activities

In addition to these projects already described, the endowment quite early in its career (1913–14) had a brush with the United States Senate regarding Senator Root's statements on the floor of the Senate during the controversy over exemption of American coastwise vessels from payment of Panama Canal tolls.

The Senate Committee on Judiciary was directed to investigate the charge that "a lobby is maintained to influence legislation pending in the Senate." (Pt. 62, March 13, 1914, pp. 4770–4808.) Apparently, there had been some question as to whether the exceedingly widespread distribution of the Senator's speeches by the endowment had been at

Government expense. In his history, Dr. Finch discussing the incident says:

> There was little real need for any outside investigation of the work of the endowment. From the beginning the trustees regarded themselves as the administrators of a quasi-public trust fund. Complete accounts of all activities and of expenditures detailed as much as practicable within reasonable printed limits, were published annually in the yearbook beginning with 1911. In it were given the names of the trustees, officers and membership of committees, and the full texts of the reports of the executive committee, the Secretary, the treasurer, and of the directors of the three divisions. Summaries were published in the yearbook of the meetings of the board of trustees, with the texts of their resolutions and the amount and general purposes of their appropriations. Lists with bibliographical data were added of all endowment publications up to that time. The yearbook was obtainable free of charge upon application. It had a regular mailing list of 5,000 to 10,000 addresses, which included all the important newspaper offices in the United States and many in foreign countries.

The endowment also actively advocated passage of the reciprocal trade agreements legislation, adherence to the Anglo-American agreements and carried on various other activities of a political nature, as the extracts from their annual reports confirm.

After World War I the endowment's trustees seemed to have been divided in their ideas on how best to begin anew their efforts to build a peaceful world. Some members of the board were still of the opinion that international law, arbitration treaties and the like offered the greatest hope, while others looked to an "international organization" of nations, as the best means to accomplish this objective.

The matter was resolved, officially at least, by the endowment putting its strength behind the League of Nations or failing that, adherence to the World Court. Here again, the attitude and activities of the endowment can be readily ascertained by reference to the exhibit in which only a few of the many such statements have been included.

Early in its career the endowment began the close working arrangements with the Federal Government which have continued down to the present time. Immediately after the United States entered World War I the trustees passed a resolution offering to the Government "the services of its division of international law, its personnel and equipment for dealing with the pressure of international business incident to the war."

The Secretary of State first asked that the division translate and publish the complete text of the proceedings of the two Hague Conferences and preliminary copies were made available to the American Commission to Negotiate Peace at Paris in 1918. The division also aided in the preparatory work for the peace conference, and the material for the use of the American delegation was selected (at a cost of $30,000 paid by the endowment) by a committee of three appointed by the Secretary of State—the director of the division of international law, the Solicitor of the Department, Lester H. Woolsey, and a special assistant in the Department, David Hunter Miller. Much of the material was the work of regular division personnel and all manuscripts were edited by it.

The director of the division of international law was one of the two principal legal advisers of the American Commission to Negotiate Peace, the assistant director, Dr. Finch, was assistant legal adviser, as were the chief division assistant, Henry G. Crocker, and Prof. Amos. S. Hershey (who was added to the professional staff to aid in the work

for the State Department); and George D. Gregory accompanied the American group as secretarial-assistant translator.

The endowment also took part in the conference on the limitation of armament and pacific relations in 1921–22, Elihu Root then president of the endowment being one of the official United States delegates and James Brown Scott, director of the division of international law, one of the legal advisers.

Here again, the endowment offered the Secretary of State its cooperation, which was accepted and a few weeks later Secretary of State Hughes suggested that the endowment issue a series of pamphlets on the principal problems coming before the Conference.

President Root reporting to the board on April 21, 1922 said:

> I really do not know how the far-eastern work of the late Conference Upon the Limitation of Armament could have been done without McMurray's book which had just a few months before been published by the endowment. The whole process of ranging the nine nations represented in the Conference upon a basis of agreement for the treatment of Chinese questions so as to facilitate the heroic efforts of the Chinese people to develop an effective and stable self-government would have been exceedingly difficult, if not impossible, if we had not had those two big volumes published by the endowment upon our tables for access at any moment. We were continually referring to them and the members could turn to such a page and find such a treaty and such an agreement and have the real facts readily accessible.

When the Rockefeller Foundation turned to the social sciences and the humanities as the means to advance the "well-being" of humanity, the section entitled "Social Sciences" in the annual report was set up under the following headings, which remained unchanged until 1935:

> General Social Science Projects: Cooperative Undertakings.
> Research in Fundamental Disciplines.
> Interracial and International Studies.
> Current Social Studies.
> Research in the Field of Public Administration.
> Fundamental Research and Promotion of Certain Types of Organization.
> Fellowships in the Social Sciences.

The report states that the arrangement was for the purpose of "simplification and in order to emphasize the purpose for which appropriations have been made."

In the decade 1929–38 the foundation's grants to social-science projects amounted to $31.4 millions and grants were made to such agencies as the Brookings Institution, the Social Science Research Council, the National Research Council, the Foreign Policy Association, the Council on Foreign Relations, and the Institute of Pacific Relations in this country as well as a dozen or more in other countries, and the Fiscal Committee of the League of Nations.

The original plunge of the foundation into the field of social science was at the instigation of Beardsley Ruml, according to Raymond Fosdick (The Story of the Rockefeller Foundation, p. 194), who in 1922 was appointed director of the Laura Spelman Rockefeller Memorial when consolidation of that organization with the foundation was already being considered. During the 7 years, 1922–29 the memorial operated under Ruml's guidance it concentrated on the field of social sciences and spent $41 million. Referring to the work of the memorial Dr. Fosdick writes:

> He (Ruml) always insisted that his job was with social scientists, rather than with social science. The sums which, under his leadership, were used to stimulate

scientific investigation were perhaps not large in comparison with aggregate expenditures for social sciences, but they represented a new margin of resources, and they were employed dramatically at a strategic moment. Chancellor Hutchins of the University of Chicago, speaking in 1929, summed up the verdict in words which a longer perspective will probably not overrule: "The Laura Spelman Rockefeller Memorial, in its brief but brilliant career, did more than any other agency to promote the social sciences in the United States."

Dr. Ruml was the head of the memorial for all but the first 4 years of its existence.

Since the foundation absorbed the memorial's program and carries on all its activities relating to government and international relations under the heading of social sciences, these comments by Dr. Fosdick and Dr. Hutchins have equal applicability to the work of the foundation in these fields.

There is ample evidence from the foundation's yearbooks that it carried on activities in the field of government of a political and propaganda nature, as well as in the field of international relations, and examples of this will be found in the "Exhibit—Rockefeller." Included in that exhibit also are the statement of Mr. Chester I. Barnard in the Cox committee hearings, page 563, speaking of his work as "the consultant of the State Department * * * on different things from time to time," and quotations from Dr. Fosdick's book on the foundation.

In 1935 the foundation's activities again were reorganized, and that year the section "Social Sciences" begins: "In 1935 the foundation program in the social sciences were reorganized along new lines with emphasis upon certain definite fields of interest."

Major changes were termination of financial aid to general institutional research in the social sciences here and abroad, elimination of grants for "the promotion of basic economic research," for community organization and planning (unless within the scope of one of the new fields of interest), cultural anthropology, and schools of social work.

From then on the foundation was to concentrate on three areas of study: Social security, international relations, and public administration.

Subsequent statements made by the foundation concerning its work in each of these fields will be discussed in the concluding portions of this summary.

The same year that the foundation publicly announced that its activities in the field of social science would be confined to international relations and relations with government, the endowment was engaged in a project related to both which exemplifies the methods frequently used by the endowment in attempting to achieve world peace. This project was the calling of an unofficial conference in March of 1935 to consider possible steps to promote trade and reduction of unemployment, stabilization of national monetary systems, and better organization of the family of nations to give security and strengthen the foundations on which international peace must rest.

From this grew the reorganization of the National Peace Conference, composed of 32 newly organized city and State peace councils, with its committees of experts appointed to supply factual data and analyses of international affairs. Among the commissions were ones on economics and peace, national defense, the world community, and the Far East.

Of particular interest is the fact that the director of the League of Nations Association, Clark M. Eichelberger, later to occupy the same position with the Association for the United Nations, was placed in charge of the endowment's educational program. Dr. Finch's comment on this indicates the extensive nature of Dr. Eichelberger's contacts through this assignment.

* * * He traveled extensively throughout the United States developing contacts which resulted in the adoption of programs within numerous organizations, some not hitherto reached by the endowment. Among them were: United States Department of Agriculture Extension Service through its county and home-demonstration agents and discussion specialists in the field; extension services of State agricultural colleges; American Farm Bureau Federation and Associated Women of the Federation; National Farmers Educational and Cooperative Union of America; Junior Farmers Union; 4-H Clubs; National Grange; informal community forums and Federal forums sponsored by the United States Bureau of Education; classes and forums conducted by the Works Progress Administration; adult education; workers' education and labor unions; churches, women's clubs, university groups, Rotary, and other service clubs. Leadership-training conferences were established for the training of organizational representatives from which the best qualified were selected for discussion leaders. Literature was prepared by the division and supplied for use in discussion programs. Basic pamphlet material of the Department of State was also used. The radio played an important part. Local stations were supplied with electrical transcriptions of addresses on world economic problems.

Dr. Finch has another comment as to the methods used in carrying on this "educational program":

The educational program did not necessarily start with the subject of international relations as such, but with topics which would help the membership of these groups to recognize and analyze the economic, social, and educational problems within their own organizations and communities, and to understand the factors, local, national, and international which create these problems; to discover to what extent each economic group could contribute toward the solution of their common problems, and to what extent solutions of local problems were dependent upon national and international relations; to know and use the sources of information on public and international problems.

The National Peace Conference extended this "educational" work in 1938 by undertaking "an educational campaign for world economic cooperation," using Peaceful Change—Alternative to War, published by the Foreign Policy Association, as the basic handbook. According to Dr. Nicholas Murray Butler (1938 yearbook, p. 48) this campaign was undertaken to emphasize the importance of putting into effect the recommendations of the joint committee of the endowment and the International Chamber of Commerce, and had two phases. The first, from September 1937 to March 1938, was on education in the fundamentals of world economic cooperation followed by a nation-wide conference scheduled for March 1938 in Washington, D. C., to appraise the campaign up to that time, "to consider recommendations of practical policy prepared by a committee of experts under the direction of Prof. Eugene Staley, and to formulate conclusions on specific Government policies." The second phase was another campaign of education from March 1938 to January 1939.

It is apparent merely from reading the Rockefeller Foundation's list of its "fields of interest" that in all probability it would frequently contribute to the identical project and the identical organization, receiving contributions from the endowment. This is exactly what happened, and while in the amount of time available it is not possible to itemize the projects, it is possible to select typical examples from the agencies to which it contributed.

As a matter of fact, the endowment and the foundation concentrated their grants among the same agencies in practically every case. Moreover, as it will become apparent, at times a joint activity (in the sense that both contributed funds to a particular project or organization) was related to both Government and to international relations. Several of such organizations aided by both organizations will be discussed separately because they are particularly pertinent to the relations of the foundations to both Government and international relations.

Institute of International Education

This was one of the first agencies to receive contributions from the foundation when it enlarged its sphere of activity to include the social sciences, and it has continued to make grants every year since then.

The institution was authorized by the executive committee of the endowment at Dr. Butler's instigation in 1919, as an integral part of the Division of Intercourse and Education for the—

> purpose of fostering and promoting closer international relations and understanding between the people of the United States and other countries, to act as a clearinghouse of information and advice on such matters and to systematize the exchange of visits of teachers and students between colleges and universities of the United States and those of foreign countries.

It arranged itineraries and lecture tours for visiting professors and circuited the visiting professors among the colleges and universities of the United States, including visits to the International Relations Clubs.

In Department of State publication 2137, page 9, entitled "The Cultural Cooperation Program, 1938–43," there is the following statement as to the place the institute came to occupy in international education:

> The Institute of International Education in New York, a private organization, began after the First World War to persuade universities in the United States and in Europe to offer full scholarships (tuition, board, and lodging) for exchange students. More than 100 universities in the United States and a similar number in Europe cooperated. The institute reported that during the period 1920–38 approximately 2,500 foreign students were brought to the United States under this plan, and 2,357 American students were placed in foreign universities. The cash value of scholarships given by American universities to this group of foreign students was $1,970,000, and the scholarships to American students abroad were valued at $917,000. This plan is especially significant because it won support from so large a number of private institutions, each of which was willing to invest its own funds in the exchange of students.

The endowment also continued its contributions to this institute—funds from both organizations amounting to approximately $5 million.

Foreign Policy Association

This organization received grants from the endowment, and, in addition, many of its pamphlets were distributed to the International Mind Alcoves and the International Relations Clubs.

In that connection, one of the persons whose books were distributed by the endowment was Vera Micheles Dean, who is referred to later in this summary. Mrs. Dean was given an international law scholarship by the endowment in 1925–26.

The Rockefeller Foundation between 1934 and 1945 (when it made a tapering grant of $200,000) contributed $625,000 to the research, publication and educational activities of the Foreign Policy Association. In 1950, when it terminated aid to the association, the foundation in its annual report indicated that its reason for doing so was that it was operating largely on a stable and self-supporting basis. However, in 1952 the Adult Education Fund of the Ford Foundation gave $335,000 to the association.

The Rockefeller Foundation in addition to contributing funds to the Foreign Policy Association has referred to the Headline Series in its annual reports, and, while not fulsome in praise, there is no doubt that the foundation approved of them—the 1950 annual report (exhibit — Rockefeller) refers to these books as the "popular Headline Books," with details on problems of importance to Americans and to the world.

Dr. Johnson, after describing the International Relations Clubs (exhibit — Carnegie) adds that these clubs have now become associated with the Foreign Policy Association. In that connection, the McCarran committee hearings contain frequent references to the interlocking association of that organization with the Institute of Pacific Relations, and includes, among other exhibits, No. 1247, which discussed the Headline book, Russia at War, and refers to the good job performed by the Foreign Policy Association of promoting Mrs. Dean's pamphlet, through the regular channels.

Time has not permitted extensive inspection of the volumes published by the Foreign Policy Association, but Vera Micheles Dean who was the research director of the Foreign Policy Association and editor of its research publications is referred to frequently in the McCarran committee reports on the Institute of Pacific Relations. She is the author of Russia—Menace or Promise? one of the Headline Series, as well as the United States and Russia (1948).

While the Association refers to itself as a nonprofit American organization founded to carry on research and educational activities to aid in the understanding and constructive development of American foreign policy which does not seek to promote any one point of view toward international affairs, this statement is somewhat equivocal both in view of the nature of its publications, and also because in those reviewed little attention was paid to the possibility of a nationalist point of view as opposed to an internationalist one.

Another of the Headline Series, World of Great Powers, by Max Lerner (1947), contains the following language:

> There are undoubtedly valuable elements in the capitalist economic organizations. The economic techniques of the future are likely to be an amalgam of the techniques of American business management with those of Government ownership, control, and regulation. For the peoples of the world, whatever their philosophies, are moving toward similar methods of making their economic system work.
>
> If democracy is to survive, it too must move toward socialism—a socialism guarded by the political controls of a State that maintains the tradition of intellectual consent and the freedom of political opposition. And the imperatives of survival are stronger than the winds of capitalist doctrine.
>
> This is an arduous road for democracy to travel, and it may not succeed. But it is the only principle that can organize the restless energies of the world's peoples. * * *

Mr. Lerner's attitude insofar as Russia is concerned is indicated by this language on pages 34 and 35, after stating that both Russia and the United States merely want world peace and security:

The successive layers of fear and suspicion on both sides can be stripped away only when both show a creativeness in approaching each other halfway. This would mean, for America, reopening the question of granting Russia a loan or credits for the purchasing of machines and machine tools. These the Soviet Union sorely needs for peacetime production and for lifting the terribly low standards of living of the Russian people. For Russia it would mean a commitment to return to the world economic and trade councils from which it withdrew after Bretton Woods.

Moving from the economic to the political level, it would mean a willingness on America's part to grant greater United Nations control of Japan and the former Japanese island bases in the Pacific, and on Russia's part to be less truculent about her sphere of influence in eastern Europe. Given such economic and political agreements, a meeting of minds would become possible on the international control of atomic energy, which is the central question both of disarmament and peace.

One further illustration of the internationalist trend of the Foreign Policy Association will be found in another Headline Series volume, Freedom's Charter, The Universal Declaration of Human Rights, by Dr. O. Frederick Nolde, which deals with the covenants on human rights without referring to the criticisms made of their possible effects on the Constitution and its Bill of Rights, and the entire tone of the pamphlet is one of praise for the universal declaration. By a technique frequently found in pamphlets which are pro-United Nations and its activities, Dr. Nolde obliquely places those who disagree with the universal declaration—for whatever reason—in a category with the Soviet Union who also object to certain phases, for example: "Soviet emphasis on state sovereignty appeared in other contexts, also. Many delegates contended that the universal protection of man's rights will require a measurable yielding of national sovereignty. As previously pointed out, the U. S. S. R. took radical exception to this contention."

Up to the time this summary was written no book or pamphlet of a contrary point of view (published by the association) has been found—which raises the question of a comparison between the theory expressed by the association not to seek to promote any one point of view and of the type of books and pamphlets it sponsors and publishes.

Council on Foreign Relations

Here again the two organizations—the Carnegie Endowment for International Peace and the Rockefeller Foundation—have been substantial contributors to the work of an agency in the international field. And again, as in the case of the Foreign Policy Association, it is evident from the publications of the council that its approach is not an unbiased one.

The Council has published studies by the following:

Public Opinion and Foreign Policy—Lester Markel and others.
International Security—Philip C. Jessup.
World Economy in Transition and Raw Materials in Peace and War—Eugene Staley.
The Challenge to Isolation, 1937–40—William L. Langer and S. Y. Everett Gleason.

Dr. Langer was later selected by the Council and the foundation to prepare a history of American foreign policy from 1939 to 1946, which has been stated to be a one-sided interpretation rather than an objec-

tive history of American foreign policy. No grants have since been made (so far as can be ascertained from their records) by either the Council or the foundation for preparation of a contrary evaluation of this subject—and neither organization supported the volume by Professor Tansill published a year or so ago, which gives the other side of the picture.

It is interesting to note that shortly after World War II exploded in September 1939, representatives of the Council visited the Department of State to offer its assistance on the problems the conflict had created and offered to undertake work in certain fields, without formal assignment of responsibility on one side or restriction of independent action on the other. A tentative outline was prepared for four groups of experts to undertake research on: Security and Armaments Problems, Economic and Financial Problems, Political Problems, and Territorial Problems. These came to be known as the War and Peace Studies, and were financed by the Rockefeller Foundation under the Council's committee on studies.

About February 1941, the informal character of the relationship between the State Department and the Council ceased The Department established a Division of Special Research composed of Economic, Political, Territorial, and Security Sections, and engaged the secretaries who had been serving with the Council groups to participate in the work of the new Division.

Following that, in 1942, a fifth group was added to the War and Peace Studies, called the Peace Aims Group. This group had been carrying on discussions regarding the claims of different European nations, the relation of such claims to each other as well as to the current foreign policy of the United States, and their relationship to eventual postwar settlements.[3] The State Department particularly commended the work of this last group. That same year the relationship between the council and the Department became even more close—the Department appointed Isaiah Bowman and James T. Shotwell as members of its newly organized "Advisory Committee on Postwar Foreign Policies." In addition to their association with the Council of Foreign Relations both had also been associated with Carnegie organizations.

Particular interest attaches to this activity on the part of the council. First of all, the action of the council in offering its services closely parallels the action of the Carnegie endowment in both the First and Second World Wars, and in view of Mr. Shotwell's background it seems likely that it was somewhat a case of taking a leaf from the same book.

The second reason is because the research secretaries of the War and Peace studies of the council progressed to other work related to the organization of peace and the settlement of postwar problems:

Philip E. Mosely, research secretary of the Territorial group, accompanied Secretary Hull to Moscow in 1943, when representatives of Great Britain, the United States, the Soviet Union, and China issued the Moscow Declaration, the text of which had been prepared previously in the Committee on Postwar Foreign Policies. Mr. Mosely later became political adviser to the American member of the

[3] The endowment had conducted a similar study before World War I.

European Advisory Commission in London, and more recently has been with the Russian Institute of Columbia University.

Walter R. Sharp, research secretary of the Political group, served as Secretary General of the United Nations Food Conference at Quebec in 1945.

Grayson Kirk, research secretary of the Security group, was among the experts at the Dumbarton Oaks Conference and was executive officer of commission III at the San Francisco Conference.

Dwight E. Lee, research secretary of the Peace Aims group, was assistant secretary of committee I, commission III at the San Francisco Conference.

The outside experts also reappeared in other work:

Dr. Isaiah Bowman was a member of the United States delegation at the Dumbarton Oaks Conference, special adviser to the Secretary of State, member of the Department's Policy Committee, and adviser to the American delegation at the San Francisco Conference.

Hamilton Fish Armstrong served as adviser to the American Ambassador in London in 1944, with the personal rank of minister, also as special adviser to the Secretary of State, and as adviser to the American delegation at the San Francisco Conference.

Walter H. Mallory, secretary of the Steering Committee which directed the War and Peace Studies, was a member of the Allied Mission to Observe the Elections in Greece, with the personal rank of minister, a mission which grew out of the Yalta agreement to assist liberated countries to achieve democratic regimes responsive to the wishes of their people.

This does not include any of the several dozen members of these council groups who were called into the Government in wartime capacities not connected with formulation of postwar policies. Nor is any implication intended that pressure was brought to secure placement of any of these individuals in particular posts. It is self-evident, however, that the research secretaries as well as the others referred to later attained positions of influence in relation to the foreign policy of the United States, and were instrumental in formulation of the United Nations Organization.

During its operations the War and Peace Studies project held 362 meetings and prepared and sent to the State Department close to 700 documents, which were distributed to all appropriate officers, and also reached other departments and agencies of the Government, since representatives of many such agencies were informal members of council groups. With a few exceptions these documents are now in the council library and available for study.

The endowment also had direct association during this period with the State Department, in addition to its association through the work of the council just described, through its Division of International Law. This association arose following Pearl Harbor in 1941, when the endowment offered and the Department accepted the services of that Division, thus again establishing an informal basis of cooperation.

At that time Philip Jessup, who was director of the division of international law from 1940 to 1943, resigned to devote his entire time to Government service.

Following several exploratory conferences to determine what could be learned from the experience of the League of Nations, the division

"established relations with many highly qualified and experienced experts making it possible to plan and arrange for the preparation of * * * series of studies on international organization and administration. * * *"

The first was International Law of the Future, Postulates, Principles, and Proposals. It was followed by:

International Tribunals, Past and Future
The International Secretariat: A Great Experiment in International Administration
Guide to the Practice of International Conferences
League of Nations and National Minorities
The Economic and Financial Organization of the League of Nations
Immunities and Privileges of International Officials
International Drug Control
Mandates, Dependencies, and Trusteeship
The Customs Union Issue

The 1944 yearbook, pages 67–70 of the report of the director of the division of international law, in a section devoted to the work program of the division, refers to this statement of the International Law of the Future, a second part containing "Principles," and a third part containing "Proposals," and in the extract from this yearbook (complete text is included in "Exhibit—Carnegie") there are these statements:

* * * In line with the Moscow Declaration, the Postulates envisage a "general international organization for the maintenance of international peace and security." The principles are offered as a draft of a declaration which might be officially promulgated as the basis of the international law of the future. The proposals for international organization are not offered as a draft of a treaty but as suggestions for implementing the principles.

The following year, 1945, the yearbook has the following statement, page 84:

It is apparent from a reading of the proposals for the establishment of a general international organization adopted at Dumbarton Oaks that their drafting was influenced to some extent by the contents of the Statement of the International Law of the Future which was published and given widespread distribution on March 27, 1944.

(Moreover, while the endowment makes no reference to them, there is great similarity also to the proposals for international cooperation drafted many years earlier, in which the endowment participated both financially and through its personnel.)

According to Dr. Finch these documents were published "having in mind" the objectives Mr. Churchill expressed in February 1945, namely, that the former League of Nations would be replaced by a far stronger body but which—

will embody much of the structure and the characteristics of its predecessor. All the work that was done in the past, all the experience that has been gathered by the working of the League of Nations, will not be cast away.

Dr. Finch's further comments (p. 435) are:

Advance copies of all but the last of the studies were made available to officials of the United States and other governments in Washington. They were in constant use at the conference of jurists held in Washington to revise the statute of the International Court of Justice, at the United Nations Conference on International Organization in San Francisco, the United Nations Relief and Rehabilitation Administration Conference, the Interim Commission of the United Nations Conference on Food and Agriculture, the United Nations Monetary and Financial Conference and at the series of meetings held by the United Nations in London, including the Preparatory Commission, the General Assembly, and the Security Council, as well as the meeting of foreign ministers held in the same city. The limited advance editions printed for these purposes were inade-

quate to meet the demand. The division also prepared special memoranda under great pressure for use in connection with some of the foregoing conferences.

The portions of Dr. Finch's History quoted earlier on pages 9, 10, and 11, tell the story of former fellowship holders who have entered various fields, including Government service, but there were others who went from the endowment to places in public life:

James T. Shotwell, who was director of the division of economics and history for many years, was also chairman of the international research committee of the American council, Institute of Pacific Relations; and while attending a conference of the institute in 1929 delivered a number of addresses on American foreign policy and problems in international organizations. In 1930 he became director of research in international affairs of the social science research council and many of the publications in which his division took an interest originated in research in Europe arranged for him by that organization. Among these were:

International Organization in European Air Transport—Lawrence C. Tomb
Maritime Trade of Western United States—Elliott G. Mears
Turkey at the Straits—Dr. Shotwell and Francis Deak
Poland and Russia—Dr. Shotwell and Max M. Laserson

Dr. Shotwell was chairman of an unofficial national commission of the United States to cooperate with the Committee of the League of Nations on Intellectual Cooperation, and he later accepted membership on the State Department's Advisory Committee on Cultural Relations (1942–44).

Dr. Finch, referring to the invitation extended to Dr. Shotwell to serve on the Advisory Committee on Postwar Policy, goes on:

* * * He was later appointed by the endowment its consultant to the American delegation to the United Nations Conference on International Organization at San Francisco, April 25 to June 26, 1945. These official duties placed Dr. Shotwell in a position of advantage from which to formulate the changing program and direct with the greatest effectiveness the operations of the commission to study the organization of peace.

The associate consultant was Dr. Finch himself, then director of the division of international law.

Professor John B. Condliffe, associate director of the division of economics and history (Berkeley branch office) edited a series of pamphlets dealing with tariffs and agriculture. They covered, in addition to a general study of protection for farm products, cotton, dairy products, wheat, corn, the hog industry, and sugar; and were circulated to all county agricultural agents throughout the country and were officially supplied by the Department of Agriculture to every director of agricultural extension work in the United States.

Ben M. Cherrington, who was elected trustee of the endowment in 1943, was the first Chief of the Division of Cultural Relations of the State Department, serving until 1940. Before that he was director of the Social Science Research Council and professor of international relations at the University of Denver.

Upon leaving the State Department he became chancellor of the university where he remained until 1946, when he became a member of the national committee of the United States for the United Nations Scientific and Cultural Organization. Dr. Cherrington was an associate consultant of the United States delegation to the United Nations Conference in San Francisco.

Philip C. Jessup was another endowment contribution to the field of public service. His first assignment was in the Department of State,

as Assistant Solicitor in 1924–25, followed by his service as legal assistant to Elihu Root, in 1929 at the Committee of Jurists on the Revision of the Court Statutes, called by the League of Nations Council. Dr. Jessup was assistant professor of international law at Columbia University and later became Mr. Root's biographer. He was elected a trustee of the endowment in 1937, succeeded Dr. James Brown Scott as director of the division of international law in 1940 and 1943 resigned because of the pressure of Government work during the war.

He was Assistant Secretary General of UNRRA and attached to the Bretton Woods Conference in 1943–44; assistant on judicial organizations at the United Nations Conference in San Francisco, where he helped to revise the statutes of the Permanent Court of International Justice to the present form in the United Nations Charter. He was also secretary of a national world court committee, organized in New York, of which two trustees of the endowment were also members.

The list of such individuals is long—and to include all the names would merely lengthen this summary to no particular purpose. Henry Wriston, Eugene Staley, Isaiah Bowman, John W. Davis, Quincy Wright, John Foster Dulles, Robert A. Taft, and others—either during their association with the endowment or at some other time—also were in the public service.

United Nations

Both the Carnegie Endowment for International Peace and the Rockefeller Foundation aided this cause. In the case of the endowment it was a natural outgrowth of its deep interest in the League of Nations and the World Court, and its disappointment when the United States failed to join the League, intensified its activities in connection with the United Nations.

The close association between the endowment and the State Department, even before World War II actually enveloped this country, has been discussed, and it is apparent that the idea of achieving peace through a world government arrangement was still the goal of the endowment as indicated by the character of its representatives and the nature of their activities.

While Dr. Jessup was director of the division of international law, it undertook an investigation of the numerous inter-American subsidiary congresses and commissions which are part of the pan-American system and as a result amassed a considerable amount of incidental and extraneous information of a technical and administrative character concerning the composition and functioning of permanent international bureaus and commissions. In collaboration with the public administration committee of the Social Science Research Council, Dr. Jessup began a study of this subject and the project later broadened to include not only official administrations and agencies established by American governments, but private international organizations operating in specialized fields, special emphasis being given to the structural and administrative aspects of these organizations.

The work covered approximately 114 organizations, supplied the names and addresses of each organization along with a brief account of its history, purpose, internal administrative structure, membership, finance, publications, and activities, and was intended primarily to

serve government officials and officers of international administration, students, teachers, and finally the public.

At this point it is appropriate to say something about the Commission To Study the Organization of the Peace, which while not a part of the endowment's direct program was treated as work through another agency to which the endowment was willing to grant financial support. The policy of the endowment in such instances is discussed in the concluding portion of this summary.

The commission in actuality was merely a continuation of the National Peace Conference referred to on pages 880 and 881. It came into being under that name in 1939, under the aegis of Dr. Shotwell and Clark M. Eichelberger—guiding lights of the peace conference—and immediately began organization of regional commissions and monthly discussion meetings.

It too had an "educational program," carried to rural communities, and furnished to press services, editors, educational writers, columnists, and commentators.

On June 6, 1941, the commission issued a document entitled "Statement of American Proposals for a New World Order."

In February 1942, this was augmented by "The Transitional Period."

A year later, 1943, the commission followed these with a statement dealing with steps that should be taken during the war to organize for the transition period.

Between then and 1944 these were added:

General Statement and Fundamentals
Part I—Security and World Organization
Part II—The Economic Organization of Welfare
Part III—The International Safeguard of Human Rights

A recapitulation of the principles laid down was issued after Dumbarton Oaks, entitled: "The General International Organization—Its Framework and Functions."

According to Dr. Finch (p. 248):

> During the following Dumbarton Oaks Conference the commission kept the work of the conference before the public and organized an educational program in behalf of its proposals. It also directed its studies to subjects inadequately covered by or omitted from the proposals, such as human rights, trusteeship, and economic and social cooperation. Separate committees were set up on each of these subjects and their studies and conclusions were later published.
>
> At the San Francisco Conference the commission was able to promote its objectives through many of its officers and members who were connected with the Conference in an official or consultant capacity. Following the signature and ratification of the charter and the establishment of the United Nations, the Commission To Study the Organization of Peace planned its studies and educational program with two purposes in view: Making the United Nations more effective by implementation and interpretation, and making it the foundation of the foreign policy of the United States.
>
> The commission became the research affiliate for the American Association for the United Nations, with joint offices and interlocking officers in New York. It is estimated by Dr. Shotwell in his annual report of March 27, 1945, to the endowment that over 600,000 copies of the commission's reports had been distributed and distribution of over 3¼ million pieces of its popular material numbers.

In "Exhibit—Carnegie" statements taken from the endowment's yearbooks trace the steps taken by the endowment to advance the cause of the United Nations. The 1944 volume tells of the conferences attended by former officials of the League of Nations, as well as by government officials, and says the third "will be of interest to a much wider group, including not only officials but educators and others

deeply concerned with the need of adequate training for the staffs of many international agencies which are either in process of formation or are contemplated for the postwar period." The first of these conferences was held in August 1942—less than 9 months after Pearl Harbor—and the last was held in August 1943—2 years before the San Francisco Conference.

That same yearbook describes the activities of the endowment as having placed it "* * * in a peculiarly strategic position to cooperate with official agencies preparing to undertake international functions" and states that while the Office of Foreign Relief and Rehabilitation Operations was engaged in preparing for the organizing conference of UNRRA it "* * * frequently called upon the division to assist by various means in these preparations."

The endowment supplied special memoranda to the conference, as well as copies of its various publications relating to international organization and administration. The special memoranda covered such subjects as International Conferences and Their Technique, Precedents for Relations Between International Organizations and Nonmember States, and the like.

The following year, 1945, the work of the Commission To Study the Organization of the Peace was again referred to (pp. 112–114) and a quotation concerning it has been included in "Exhibit—Carnegie."

The endowment had two other projects which fall into the international field—the International Economic Handbook and Commercial and Tariff History and Research in International Economics by Federal Agencies. The latter disclosed the extent to which the Government of the United States engaged in the study of economic questions and the resources of economic information at its disposal.

It also cooperated with the International Chamber of Commerce and Thomas J. Watson, a trustee of the endowment, was chairman of a committee established in 1939 by the chamber called a committee for international economic reconstruction. Dr. Finch described one of the first projects of the committee (p. 243) as "a program of public adult education in this country." Later the committee was renamed the committee on international economic policy and set about enlisting 54 leaders of national, business, industrial, education, and religious groups. These included Mr. Winthrop W. Aldrich, President Nicholas Murray Butler, Mr. Thomas J. Watson, Mr. Leon Fraser, Mr. Clark H. Minor, Mr. Robert L. Gulick, Jr., Eric A. Johnston, Robert M. Gaylord, Paul G. Hoffman, Eliot Wadsworth, A. L. M. Wiggins, J. Clifford Folger, E. P. Thomas, and Fred I. Kent.

According to the yearbook, a public-relations committee was organized and professional news services were employed to reach American grassroots, in order to secure the widest possible distribution of the pamphlets produced by the committee, among which were:

World Trade and Employment, by the advisory committee on economics to the committee on international economic policy.

The International Economic Outlook, by J. B. Condliffe, associate director, division of economics and history, Carnegie Endowment for International Peace.

Industrial Property in Europe, by Antonin Basch, department of economics, Columbia University.

Price Control in the Postwar Period, by Norman S. Buchanan, professor of economics, University of California.

Economic Relations With the U. S. S. R., by Alexander Gerschenkron, International Section, Board of Governors of the Federal Reserve System.

A Commercial Policy for the United Nations, by Percy W. Bidwell, director of studies, Council on Foreign Relations.
International Double Taxation, by Paul Deperon, secretary of the Fiscal Committee, League of Nations.
Discriminations and Preferences in International Trade, by Howard P. Whidden, economist, Chamber of Commerce of the State of New York.
Principles of Exchange Stabilization, by J. B. Condliffe.
International Commodity Agreements, by Joseph S. Davis, director of the food research institute, Stanford University.
Import Capacity of the United States, by J. B. Condliffe and R. L. Gulick.
World Production and Consumption of Food, by Karl Brandt, Stanford University.
International Cartels, by A. Basch.
Export Policy, by Robert L. Gulick, economist, Carnegie Endowment for International Peace.
The Relation Between International Commercial Policy and High Level Employment, by Sumner H. Slichter, Harvard University.

Thousands of copies of the committee's pamphlets on international economic problems were distributed to business executives, agricultural leaders, diplomatic representatives, students, Government officials, servicemen, Members of Congress, and to congressional committees. A special project in this field was the work done at the time the reciprocal trade-agreements program came before Congress for renewal, when special literature in support of the program was prepared and distributed by the endowment.

The Rockefeller Foundation was working shoulder to shoulder with the Carnegie Endowment for International Peace in furthering "agencies devoted to studies, to teaching, to service to government and to public and expert education" on the assumption that while "it is not possible to guaranty peace * * * the way to work toward it is to strengthen the 'infinity of threads that bind peace together.'" It selected many of the same agencies which had been chosen by the endowment for studies and related activities. In the international-relations field grants went to agencies which conduct research and education designed to strengthen the foundations for a more enlightened public opinion and more consistent public policies (1946 annual report).

This same foundation report (p. 40) mentions the appropriation to the Institute of Pacific Relations of $233,000, much of whose work "is related to the training of personnel, the stimulation of language study, and the conduct of research on problems of the Far East. It is part of the pattern by which, from many different directions and points of view, efforts are being made to bring the West and East into closer understanding."

Two years earlier, the 1944 report of the foundation said: "China is the oldest interest of the Rockefeller Foundation," and it has spent more money in that country than in any other country except the United States. In addition to direct grants to China and Chinese projects of various sorts, the foundation also contributed to the Institute of Pacific Relations, including the American institute.

In that connection, it is interesting to note that 7 years before (1937 report, pp. 57–58) the foundation deplored the events of the previous year in China which "have virtually destroyed this proud ambition, in which the foundation was participating." The report praised the work accomplished up to that time by the Chinese National Government in their attempts "to make over a medieval society in terms of modern knowledge" but was somewhat pessimistic as to the oppor-

tunity "to pick up the pieces of this broken program at some later date."

From 1937 until 1950 the grants of the foundation to the Institute of Pacific Relations were $945,000, compared with $793,800 during the years prior to that (from 1929 to 1936, inclusive).

The Institute of Pacific Relations has been the subject of exhaustive hearings by other congressional committees, and mention is made of this particular comment only because as recently as 1952 (if financial contributions are one criterion) the foundation apparently considered the institute an agency "designed to strengthen the foundations for a more enlightened public opinion and more consistent public policies."

A section entitled "Conference on American Foreign Policy" in the 1916 endowment yearbook (pp. 24–25) begins: "To assist in informing public opinion concerning the foreign policy of the United States, the endowment sponsored a conference at Washington * * *." Some 80 national organizations sent 125 representatives to hear from James F. Byrnes, then Secretary of State; Clair Wilcox, Director of the Office of International Trade Policy; Gov. Herbert Lehman; Dean Acheson, Under Secretary of State; Alger Hiss, Secretary General of the United Nations Conference at San Francisco; and William Benton, Assistant Secretary of State in Charge of Public Affairs.

From then on the endowment bent every effort to "reach public opinion" and particularly people not reached by any organization "since they have not been interested to join, and who do not realize that they too constitute public opinion and have to assume their responsibilities as citizens not only of the United States but of the world." This phraseology is strikingly similar to that found in the Handbook on International Understanding of the National Education Association.

It does not appear whether the foundation contributed to the Commission to Study the Organization of the Peace, but the annual reports refer to studies carried on by Brookings Institution, the Russian institute of Columbia University's School of International Affairs, the Institute of International Studies at Yale, all "aimed at the single target of world peace" (Dr. Fosdick's Story of the Rockefeller Foundation, p. 219).

In 1945 it aided in the publication of the reports and discussions of the various committees of the San Francisco United Nations Conference because "with respect to many crucial issues the really significant material is not the formal language of the articles of the charter, but the interpretation contained in the reports and discussions * * *."

It also contributed to the United Nations Economic Commission for Europe which in 1949 began a study of long-run trends in European economy, covering the period 1913–50 (1951 annual report, pp. 355–356).

This, the final part of the summary of activities of Carnegie and Rockefeller agencies, has been devoted to substantiating the statements made in its opening paragraphs; namely, that the Carnegie Endowment for International Peace and the Rockefeller Foundation had—

Admittedly engaged in activities which would "directly or indirectly" affect legislation;

Admittedly engaged in "propaganda" in the sense defined by Mr. Dodd in his preliminary report;

Admittedly engaged in activities designed to "form public opinion" and "supply information" to the United States Government, calculated to achieve a certain objective, as for example, "an international viewpoint."

Quotations on each of these points, taken from the yearbooks of the Carnegie Endowment for International Peace and from the annual reports of the Rockefeller Foundation, as well as from other sources, have been referred to and are attached in separate exhibits.

Because of the method of reporting used by the endowment, it is frequently difficult to distinguish specific projects and organizations in its financial statements—disbursements in most instances being reported merely by divisions. In addition, the corporation worked closely with the endowment on certain types of projects, and also made lump-sum grants to the endowment.

An analysis of grants by these two Carnegie agencies and by the Rockefeller Foundation is shown below.

Because it is frequently stated by these foundations as well as others that the purpose of their grants is to serve as a catalytic force in getting a project underway, or provide support to an organization until it is well established, the period during which the foundation contributed funds to a particular organization is shown under the grants made.

Grantee organization	Carnegie		Rockefeller		Total contribution
	Corporation	Endowment	Foundation	Spelman fund	
			($169,000 General Education Board)		
American Council of Learned Societies (1924)	$901,850 (1924–52)	$11,500 (1940–44)	$11,069,770 (1925–52)	$30,000	$12,182,120
American Historical Association (1884)	384,000 (1926–35)		190,830 (1925–37)	55,000	629,830
Brookings Institution (1916)	2,493,624 (1922–50)	4,000 (1951–52)	1,848,500 (1924–52)	3,211,250	7,557,374
Council on Foreign Relations (1921)	1,826,824 (1921–52)	12,000 (1937–42)	1,170,700 (1927–52)	150,000	3,159,524
Foreign Policy Association (1918)	204,000 (1938–51)	16,000 (1934–40)	900,000 (1933–50)		3,189,524
Institute of International Education (1919)	2,073,013 (1922–52)	200,000 (1941)	1,406,405 (1928–52)	240,000	3,847,148
Institute of Pacific Relations (1925)	390,000 (1936–47)	184,000 (1927–41)	1,885,400 (1925–50)	165,000	[1] 1,407,320 2,449,400
National Academies of Science	5,406,500		110,000		5,516,500
National Research Council (1916)	3,059,186 (1920–52)		11,555,500 (1922–52)	447,900	15,062,580
National Bureau of Economic Research (1920)	818,503 (1921–52)		6,647,500 (1931–52)	125,000	7,621,003
New School for Social Research (1919)	95,000 (1940)		208,100 (1940–44)		300,100
Public Administration Clearing House (1931)	58,182 (1931–52)		10,740 (1931–52)	8,058,000	8,126,922
Royal Institute of International Affairs	214,100 (1938–51)		906,580 (1938–52)		1,150,680
Social Science Research Council	2,014,275		8,470,250	4,044,000	14,528,525
Encyclopedia of Social Science	269,124		600,000	100,000	969,124

[1] International relations clubs, regional centers, etc.

The projects for which these grants were made—in addition to those made for general support—covered such projects as:

A Handbook for Latin American Studies
Developing a training center for far eastern studies at the Congressional Library (both by the American Council of Learned Societies)
Study of major aspects of Government finance for defense (by the National Bureau of Economic Research)
Study of problems relating to training of leaders among free peoples (by the Council on Foreign Relations)
Research on American foreign policy
Foreign relations
Political implications of the economic development of industrialized areas (all by the Council on Foreign Relations)
Support of experimental educational program, publicizing the conflicting issues of economic nationalism and internationalism.
Program for development of community centers of international education (Foreign Policy Association)

Another statement frequently made by foundations, including both the endowment and the foundation—particularly when the actions of benefiting organizations or individuals arouse criticism—is that as a matter of policy no attempt is or should be made to supervise, direct or control organizations or individuals to whome these tax-exempt funds are given, because to do so would restrict the productivity of the grantees, and (it is inferred) be an attack on academic freedom. This attitude of objectivity, however, is at variance with other statements also found in the records of both the endowment and foundation.

In describing the administration of his division (Intercourse and Education) Dr. Butler's report in the 1928 year book (p. 38) states that, in addition to other work—

> a large part of the activity of the division is devoted to the carrying out of specific, definite, and well-considered projects of demonstrated timeliness * * * those in which the work is directed and supervised from the headquarters of the division and those which are carried out by the organizations or individuals to whom allotments are made from time to time. * * * *It is not the policy of the division to grant subventions continuing from year to year to organizations or undertakings not directly responsible to the administration of the division itself.* * * * [Italics supplied.]

This statement—included in its entirety in the exhibit of quotations from endowment records—is susceptible to only one interpretation: Unless a project, whether carried on by a particular organization or by a particular individual or group of individuals is under the direct supervision of the Division of Intercourse and Education, and reports thereon are satisfactory to that division, continued support will not be forthcoming from the endowment.

As mentioned earlier, the foundation does not use quite as dogmatic language in its reports, yet from its statements the same contradictory attitude is discerned, particularly when related to the activities and organizations to which it has continuously granted funds.

There is nothing ambiguous about the warning on page 9 of the 1941 annual report of the foundation:

> If we are to have a durable peace after the war, if out of the wreckage of the present a new kind of cooperative life is to be built on a global scale, the part that science and advancing knowledge will play must not be overlooked.

This statement appears in the report for the 12-month period ending December 31, 1941—not quite 4 weeks after Pearl Harbor—yet there can be no doubt that, as far as the foundation was concerned, only "a cooperative life * * * on a global scale" could insure a "durable peace."

In the light of this attitude some of the individuals and organizations benefiting from foundation funds in the years since 1941 may seem a trifle unusual to say the least, particularly when a few pages further on, page 12, the report follows up this warning with:

A score of inviting areas for this kind of cooperation deserve exploration. Means must be found by which the boundless abundance of the world can be translated into a more equitable standard of living. Minimum standards of food, clothing, and shelter should be established. The new science of nutrition, slowly coming to maturity, should be expanded on a worldwide scale.

It is only natural to wonder about the agencies selected to work in these inviting areas to build "a cooperative life on a global scale."

Among those to which the foundation gave funds were agencies also selected by the endowment to be directly responsible to the administration of its divisions,and some of these are sketched briefly now in relation to these declared policies.

The Public Administration Clearinghouse, the creation and financing of which Dr. Fosdick (page 206) calls "the great contribution of the Spelman Fund," is also a grantee of the foundation.

Composed of 21 organizations of public officials representing functional operations of Government (such as welfare, finance, public works, and personnel) the clearinghouse is designed to keep public officials in touch with "the results of administrative experience and research in their respective fields" which he describes as having resulted in "wide consequences" which "have influenced the upgrading of Government services at many technical points—in the improvement of budgetary and personnel systems, for example, and the reform of State and local tax structures."

The National Bureau of Economic Research, again quoting from Dr. Fosdick's book, page 233, has brought within reach—

* * * basic, articulated, quantitative information concerning the entire economy of the Nation. This information has influenced public policy at a dozen points. It was one of the chief tools in planning our war production programs in the Second World War and in determining what weights our economy could sustain. It underlies our analyses of Federal budgeting and tax proposals and projects like the Marshall plan. This same type of research has now spread to other countries, so that international comparison of the total net product and distribution of the economy of individual nations is increasingly possible.

After stating with some pride that the books and other publications of this organization "influence to an increasing degree the policies and decisions of governmental and business bodies"—page 213—Dr. Fosdick in the following chapter—page 232 stresses that its—

* * * publications do not gather dust on library shelves. Its findings are cited in scientific and professional journals, treatises, and official documents. They are used by businessmen, legislators, labor specialists, and academic economists. They have been mentioned in Supreme Court decisions. They are constantly employed in Government agencies like the Department of Commerce and the Bureau of the Census. Increasing use is being made of them by practicing economists in business, by editorial writers in the daily press, and by economic journalists in this country and abroad. Practically all of the current textbooks in either general economics or dealing with specific economic problems draw a great deal of their material from the publications of the Bureau or from data available in its files. It can be truly said that without the National Bureau

our society would not be nearly so well equipped as it is for dealing with the leading economic issues of our times.

The Institute of Pacific Relations has been the subject of exhaustive hearings by other congressional committees in which its subversive character has been thoroughly demonstrated.

The Foreign Policy Association has been discussed at length in the narrative portions of this report and reference has been made to Mrs. Vera Micheles Dean's citation in appendix IX. Also active in this association have been: Roscoe Pound, Stephen P. Duggan, Maxwell Stewart and his wife, Marguarite Ann Stewart (educational secretary in the association's department of popular education), Lawrence K. Rosinger, writer for the headline series, Stuart Chase, Alexander W. Allport (membership secretary of the association); Anna Lord Strauss, Philip E. Mosely, and Brooks Emeny (members of the editorial advisory committee), and Blaire Bolles and Delia Goetz, director and assistant director of the Washington bureau of the association.

The Council on Foreign Relations has also been discussed in detail, and while additional information could be included on specific activities it would be merely cumulative.

Two brief excerpts from the 1936 annual report of the foundation are, however, of particular pertinence in relation to the question of influencing governmental activity:

> The program in social security has two central interests: (1) The improvement of the statistical record of structural and cyclical change and sharper identification of the causal factors involved; and (2) the analysis and adaptation of social measures designed to mitigate individual suffering due to unemployment which may be a result of economic change, or due to illness, accident, and old age, which are ordinary hazards of human life. The underlying assumption of this twofold program [4] is that economic and social changes are to an appreciable extent manmade and hence controllable, and that, pending adequate understanding of the causes of disruptive change, the individual must be protected in the interest of political and social stability. * * * The ameliorative aspect of the program is at present concerned with questions centering upon the social insurances and relief in the United States.
>
> The program in public administration is designed to bridge the gap that exists between practical administrators in the Government service and scholars in the universities in the field of the social sciences. Aid had been given to the Social Science Research Council's committee on public administration, which itself sponsors research upon key problems of public administration, * * * The foundation supports a number of such research enterprises together with a variety of projects designed to recruit and train a higher type of personnel for career service in the Government.
>
> The objectives of the program in international relations are the promotion of understanding of, and greater intelligence in regard to, world problems among larger sections of the public, and the creation of more competent technical staffs attached to official or nonofficial organizations dealing with international affairs. The greater part of foundation interest is in enterprises concerned with the study of international problems for the purpose of informing and guiding public opinion. Three types of organizations are receiving foundation support: (1) Those like Chatham House in England and the Foreign Policy Association in the United States, which carry on the two functions of study and dissemination with almost equal emphasis; (2) those concerned primarily with research and the creation of personnel for technical and advisory service in connection with international problems; and, (3) those which focus upon coordinated research undertakings and periodic conferences with international representation, as the Institute of Pacific Relations and the International Studies Conference. (Pp. 230, 231, 232.)

[4] The foundation's twofold program in social security.

The Social Science Research Council, which sponsored the 4-volume Study of the American Soldier, as well as a project entitled "Study of American Public Library." This actually deals with the public library inquiry, a project relating to educational films and their distribution that has been received with considerable criticism.

Moreover, the council's committee on government (through a special committee on civil rights) was selected to "encourage and aid competent scholars to record and analyze the management of civil liberties during the war and immediate postwar period" (Foundation Annual Report for 1944, p. 202). Prof. Robert E. Cushman of Cornell was chairman of the special committee, and in the 1948 annual report his assignment is referred to as a "factual examination of the civil-liberties issues" caused by "the actions taken to eliminate subversive individuals from Government service." "Rigid loyalty requirements" and "the work of the House Committee on Un-American Activities" are among the problems to be studied "to reconcile, if possible, the claims of national security and civil liberty." Practically the first official act of Dr. Cushman as chairman was to place Dr. Walter Gellhorn in charge of the project for all practical purposes.

Based on their own records the Carnegie Corporation, the Carnegie Endowment for International Peace, and the Rockefeller Foundation, have—

1. Contributed substantial sums of money to some or all of the organizations described in this and other portions of this summary.

2. Have or should have been aware that the stated purpose of many of the projects of these organizations has been to achieve certain objectives in the fields of international relations, foreign policy, and government.

There has been a singular lack of objectivity and a decided bias toward a socialized welfare state in the proposals of these organizations, and every effort has been made by them to advance the philosophy of "one world" to the complete disregard of comparable effort on behalf of a more nationalistic viewpoint.

3. Not only made grants to these organizations for general support, but have made specific grants for projects described in the preceding numbered paragraph.

The foundation has contributed $63,415,478 since 1929 to projects which it classifies as in the field of social science, while grants it considers as in the field of the humanities total $33,292,842 during the same period.[5]

The endowment, since it was organized, has expended approximately $20 million, divided as follows: Division of intercourse and education, $12.1 million; division of international law, $4.8 million; division of economics and history, $3.1 million.

Certainly, in justice to the endowment and the foundation it would be unfair to say that the amount of money so expended by them during the period described did not have some effect—at some point—on some matters. To accept the statement that there were no effects—or only coincidental ones—from such expenditures would indicate mental astigmatism at the very least, and would in a sense seem to accuse these foundations and their trustees of a somewhat careless, if not actually wasteful, attitude toward the funds entrusted to their care,

[5] Through 1952.

when (as is undeniable) the foundations continued to select the same or similar organizations, continued to make grants for the same or similar projects presented by such organizations, and continued to make grants to the same or similar individuals.

In addition, the reports of both the endowment and the foundation contain statements indicating both felt there were definite results from their activities as well as the activities of organizations to whom grants were made.

The 1934 yearbook of the endowment has one of these on page 22:

> * * * A review of the activities of the endowment since the World War, carried on separately through three main divisions, but operating as a unit in behalf of the great ideal of its founder, seems to justify the observation that the endowment is becoming an unofficial instrument of international policy, taking up here and there the ends and threads of international problems and questions which the Governments find it difficult to handle, and through private initiative reaching conclusions which are not of a formal nature but which unofficially find their way into the policies of governments.

Similar sentiments are expressed a decade later in the 1945 yearbook, page 28:

> A reading of this report will make it plain that every part of the United States and every element of its population have been reached by the endowment's work. The result may be seen in the recorded attitude of public opinion which makes it certain that the American Government will be strongly supported in the accomplishment of its effort to offer guidance and commanding influence to the establishment of a world organization for protection of international peace and preservation of resultant prosperity.

The foundation, when it reorganized in 1929 to extend its work to include the social sciences, apparently anticipated some recognizable results (p. 258 of its annual report):

> From research in the social sciences there should result modifications in governmental organization, in business practices, in social activities of all kinds which may further general well-being. As numerous functions of great significance are being assumed by governmental bodies through Federal, State, county, and municipal organization, the development of effective techniques becomes a necessity. Research which is closely tied up with practical activities is expected to furnish the basis of sound governmental policy.

There is no indication of a change of opinion in 1940, when describing its support of the National Institute of Public Affairs' "experimental program of recruiting and training personnel for the Federal services," the foundation reports (pp. 273–274 of annual report),[6] "the program has involved the annual placement of approximately 50 graduate students preparing for public-service careers, in agencies of the Federal Government for a year of practical apprenticeship" and adds with evident satisfaction that "60 percent of its 'interns' are now in the Federal service; several are in State and local or other government services, and a number are continuing graduate study."

Two years later the section dealing with the public administration committee begins:

> The agencies through which society will seek to meet its diverse problems are multiform, and total effort, whether for defense or for the postwar world, will receive its primary direction through the agency of government * * *.

Referring to its support of this committee during the preceding 7 years, the report gives the major studies of the committee, and ends with this paragraph:[7]

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[6] Entire extract included in exhibit.
[7] Entire extract included in exhibit.

More recently the committee has focused its resources and attention mainly on planning and stimulating rather than on executing research. A broadening of the program to include the field of government, with public administration as one sector, is now contemplated. Such a program would deal less with the mechanics of administration than with the development of sound bases for policy determination and more effective relations in the expanding governmental structure.

It is only commonsense, moreover, to conclude that, since the endowment and the foundation as a means of accomplishing their purposes had deliberately chosen certain organizations consistently as "agents," the trustees of those foundations would be entirely aware of the activities of the organizations selected, as well as the views expressed by their executives. Assuming such awareness—no contrary attitude being demonstrated—it could be concluded further that the results of such activities—whatever their nature—were not only acceptable in themselves to the trustees but were regarded by them as the proper means to accomplish the declared purposes of the foundations.

It is appropriate, therefore, to examine some of the results, among which have been:

The Headline Books of the Foreign Policy Association

Many were written by persons cited to be of Communist or Communist front affiliation and are questionable in content. They have been distributed widely and are used as reference works throughout the educational system of this country.

The Cornell studies

This project is under the direction of two individuals (described further on) who can scarcely be considered sufficiently impartial to insure a "factual examination" or an "objective finding."

Development of a "post-war policy"

The means selected was an extragovernmental committee, many of whose members later held posts in governmental agencies concerned with economic and other problems, as well as those concerned with foreign policy.

The sponsorship of individuals who by their writings are of a Socialist, if not Communist philosophy, dedicated to the idea of world government.

Among the individuals sponsored have been:

Eugene Staley

He is the author of War and the Private Investor, in which he recommended a "World Investment Commission" which along other suggestions presented bears a striking resemblance to the World Bank and present monetary policies of the world, including the United States.

He is also the author of World Economy in Transition, a report prepared under the auspices of the American Co-Ordinating Committee for International Studies,[8] under the sponsorship of the Council on Foreign Relations, and financed by a Carnegie grant. The book expounds the theory that modern technology requires its materials from an international market, makes use of internationally discovered scientific information, and itself is international in viewpoint. According to Mr. Staley, we have a "planetary economy," and to reach the goal

[8] Mrs. Dean was a member of this committee at the time.

of international social welfare, the international division of labor requires a free flow of goods.

Vera Micheles Dean

Reference has already been made to Mrs. Dean who, according to the New York Times a few years ago, made a "plea for socialism" to 600 alumnae at Vassar College, saying our quarrel with communism must not be over its ends but over its methods, and urging a foreign policy backing Socialist programs.

Speaking of her book Europe and the U. S. in the book review section of the New York Herald Tribune of May 7, 1950, Harry Baehr, an editorial writer for that paper, wrote: "In other words, she considers it possible that the world may not be divided on sharp ideological lines but that there may yet be at least economic exchanges which will temper the world struggle and by reducing the disparity in standards of living between Eastern and Western Europe gradually abolish the conditions which foster communism and maintain it as a dangerous inhumane tyranny in those nations which now profess the Stalinist creed."

Mr. and Mrs. Maxwell Stewart (Marguerite Ann Stewart)

According to the 1947 California Report (p. 314) both of these people taught at the Moscow Institute in Russia. He praised "Soviet marriage and morals," and has been connected with tourist parties to the U. S. S. R., under Soviet auspices. He urged recognition of the Soviet Union, was a member of the editorial board of Soviet Russia Today, and endorsed the Hitler-Stalin pact.

Lawrence K. Rosinger

He declined to answer when asked by the McCarran committee whether he had ever been a member of the Communist Party, after being named as a party member by a witness before that committee. He was a writer of the Headline Series of the Foreign Policy Association, among his contributions being "Forging a New China," "The Occupation of Japan," and "The Philippines—Problems of Independence." In February 1952—after he had refused to answer the question of the McCarran committee—he jointed the staff of the Rhodes School.

Dr. Robert Cushman

Chairman of the special committee on civil rights of the Social Science Research Council's committee on government, Dr. Cushman's career before his association with the Cornell studies would indicate a rather one-sided viewpoint on civil rights. Prior to 1944, when the first Rockefeller Foundation grant was made to this project, Dr. Cushman had written occasional pamphlets (edited by Maxwell S. Stewart) for the public affairs committee, for example—

> One written in 1936 suggested constitutional amendments to limit the powers of the Supreme Court (following its adverse decision on the New York minimum wage law), or else a delegation of specific powers to Congress to obtain passage of New Deal legislation;
>
> One written in 1942 favored the "modernization" at that time achieved by the "new" Court after Roosevelt's appointees had been added;

A third written in 1940 recommended the writings of George Seldes and Arthur Garfield Hays, as well as publications of the American Civil Liberties Union.

Between 1944 and 1947 when the second grant was made by the foundation, Dr. Cushman wrote another pamphlet for the public affairs committee (in 1946), which was along the line of views expressed by the Commission on the Freedom of the Press.

In 1948, the year the foundation made a grant of $110,000 to the project, Dr. Cushman again contributed a public affairs committee pamphlet, New Threats to American Freedom, specifically concerned with the anti-Communist drive. Because the abridgment of the civil liberties of any group (apparently even those of Communists in his opinion) endangers all civil liberties, Dr. Cushman argued, patriotic and loyal Americans cannot permit such a thing to happen, particularly since the difficulty of defining "communism" menaces the civil liberties of all liberals and progressives. He pilloried the House Un-American Activities Committee, and labeled the Mundt-Nixon bill and the Smith Act as threats to civil liberty.

In January 1947, in a paper presented to the American Academy of Political Science, Dr. Cushman characterized as "nonsense" the theory of guilt by association ("good boys may associate with bad boys to do good"). Also nonsense, according to Dr. Cushman, is designating as a fellow traveler, one who—

Joined organizations in which "there turn out to be some Communists,"

Signed petitions supporting policies "also supported by Communists,"

Sympathized with the Spanish Republicans, "some of whom were Communists,"

Professed a strong admiration of Russian culture and achievements.

More than a year later, in October 1948, he presented a dissertation on the repercussions of foreign affairs on the American tradition of civil liberties, included in the proceedings of the American Philosophical Society. There is little difference between this and the preceding paper, except that he used the technique of presenting supposedly the opinions of others, always unnamed. He repeated that "critics of the program" believe loyalty tests violate due process; requiring clearances for atomic scientists, "he has been told," impairs the quality of their work and leads to resignations; "many have said" that the House Un-American Activities Committee is politically minded—treats cases in the press—fails to define "un-American" and "subversive."

Concluding, he stated as his own belief that there is need for "an objective study" to avoid "heavy inroads" into traditional civil liberty. As mentioned, this was the year the foundation gave the largest grant—$110,000.

In the 1951 annals of the American Academy of Political Science, Dr. Cushman referred to the work of congressional investigating committees as similar to a "bill of attainder," and again unhesistatingly defined a "Communist front" as an "organization in which there turn out to be some Communists." He "found" that social and humanitarian causes are weakened by guilt by association theories, because

people fear to support such causes lest later Communists also be found supporting them; national security also is weakened because the "ordinary citizen" is confused by the idea of guilt by association. Non-governmental antisubversive measures were also criticized—he referred particularly to the dismissal of Jean Muir by General Foods—and in Dr. Cushman's opinion, "it is hard to find any evidence that loyalty oaths of any kind serve any useful purpose beyond the purging of the emotions of those who set them up."

Walter Gellhorn, of Columbia University

A second collaborator in the Cornell studies, Walter Gellhorn, is apparently actually their director, and the author of a major volume in the studies, Security, Loyalty, and Science.

Dr. Walter Gellhorn is listed in appendix IX, page 471, as a "conscious propagandist and fellow traveler," and is in a group including Fields, Barnes, Jerome Davis, and Maxwell S. Stewart.

He was a leading member of some 11 Communist fronts.

He was a national committeeman of the International Juridical Association, whose constitution declares:

> Present-day America offers the example of a country discarding the traditions of liberty and freedom, and substituting legislative, administrative, and judicial tyranny.

The American section's purpose is—

> To help establish in this country and throughout the world social and legislative justice.

He is cited as an "active leader" of the National Lawyers Guild.

Appearing before the House committee in 1943, he denied the International Juridical Association and several other fronts with which he had been associated were communistic, had extreme difficulty remembering just what documents he might have signed, including a declaration of the National Lawyers Guild and a cablegram protesting Brazil's detention of an agent of the Communist international, a man named Ewert.

Dr. Gellhorn (Harvard Law Review of October 1947) prepared a Report on a Report of the House Committee on Un-American Activities, specifically defending the Southern Conference for Human Welfare, exposed as a Communist organization, and violently attacking the House committee. His book for the Cornell studies indicates Dr. Gellhorn had not changed his opinion either of the southern conference or the House committee.

The Daily Worker, March 15, 1948, under a heading "Gellhorn Raps 'Un-American,' " quoted from an article by Dr. Gellhorn (American Scholar—Spring 1948), in which he likened the House Un-American Activities Committee to a "thought control" program, and declared, "More important than any procedural reform, however, is conscious opposition to the House committee's bullying."

Dr. Gellhorn begins Security, Loyalty and Science, by expressing his fear that strict security regulations "would immobilize our own scientific resources to such an extent that future development might be stifled while more alert nations overtook and surpassed us." In spite of a lack of reciprocity on the part of others, Dr. Gellhorn believes that the fruit of our work should be fully published and not restricted, even if, as he offhandly puts it, there is "no neat balance between the

outgoing of our information and intake * * *" which in his opinion may "* * * be entirely irrelevant."

His theme is that security regulations and loyalty programs are useless and dangerous. He cites particularly category B of the Atomic Energy Commission, covering "undesirables"—those having sympathetic interests or associations with subversive ideas, friends, relatives, or organizations. Like Dr. Cushman, Dr. Gellhorn found it even "more alarming" that nongovernmental agencies are increasingly requiring clearances; he dismissed the House Un-American Activities Committee as indulging in repetition and exaggeration and added that they are responsible for scientists refusing to work for the Government. He belittled the Attorney General's list, its designations to him to have no pattern, and he questioned the reliability of the confidential information frequently used.

He concluded that the loyalty program originated in anti-New Deal politics (beginning with the Dies committee in 1938), that it is ineffective against "the furtive, the corrupt, the conspiratorial," and "the country will be stronger for discovering that the restraints of the present loyalty program exceed the needs of national preservation."

Denial of AEC fellowships to Communists is unwarranted, in Dr. Gellhorn's opinion, and he quoted approvingly statements of others that deplored the atmosphere of distrust and suspicion; thought loyalty checking brought into being a "police state" and the use of methods "far more dangerous than the small risk of having an occasional Communist on the fellowship rolls."

As evidence that security files are misleading anyway, Dr. Gellhorn cited the fact that the Army in 1949 classified as "unemployable" Gordon R. Clapp of TVA, Professor Counts, and Roger Baldwin.

Dr. Gellhorn is also responsible for other books in this project. He is coauthor of a study on States and subversion (with William B. Prendergast, assistant professor of government at the Naval Academy), and of a study on the Tenney committee (with Edward Barrett, Jr., professor of law, University of California, who stated, "I am particularly grateful to Walter Gellhorn of Columbia University for his constant advice and suggestions and for his careful reading of the manuscript in two of its preliminary versions").

These statements of Dr. Cushman and Dr. Gellhorn both prior to and after their association with the Cornell studies cannot be considered as those of "unbiased" and "objective" individuals. Dr. Gellhorn's appearance before the House Committee on Un-American Activities in 1943 was a matter of record. It is difficult if not farfetched to believe that no inkling of these matters reached either the Social Science Research Council or the Rockefeller Foundation—before or after the grants were made by the foundation. Yet as far as can be ascertained neither organization has had anything but praise for the studies, and the personnel associated with it.

These then are some of the organizations selected by the Carnegie Corporation of New York, the Carnegie Foundation for International Peace, and the Rockefeller Foundation:

To promote the advancement and diffusion of knowledge and understanding among the people of the United States and the British Dominions.

To promote the advancement and diffusion of knowledge and understanding among the people of the United States; to advance the cause of peace among nations; to hasten the renunciation of war as an instrument of national policy; to encourage and promote methods for the peaceful settlement of international

differences and for the increase of international understanding and concord; and to aid in the development of international law and the acceptance by all nations of the principles underlying such law.

To promote the well-being of mankind throughout the world.

These then are among the individuals—directly or indirectly—designated by these Carnegie and Rockefeller foundations as those not only best qualified to accomplish the noble purposes set out in their respective charters, but also those most likely to do so.

These are a few of the individuals who have gained prominence and whose reputation has been built up by the sponsorship and employment of foundations—either directly or through organizations receiving foundation funds to carry out projects approved if not selected by them.

No indication appears in the annual reports of these tax-exempt organizations—certainly not in those made available to the public—that the Carnegie Corporation of New York, the Carnegie Endowment for International Peace, or the Rockefeller Foundation has disavowed the individuals, the organizations, or the results thereof, except in a few isolated instances reported in the Cox committee hearings.

Nor is there any indication that any one of these tax-exempt organizations has taken any measures—either before or after the Cox committee hearings—to insure that organizations as well as individuals receiving their funds in the future will use such funds to make studies which are in fact objective, not only with regard to the material considered, but also as to personnel; studies which will faithfully present facts on both sides of the issue or theory—particularly when it is of a controversial character. Nor have any measures been taken to prevent two equally improper uses of tax-exempt funds: first, under the guise of "informing public opinion"— propagandizing for a particular political philosophy or viewpoint; and second, again under the cloak of "supplying information to the Government"—presenting only information upholding a particular philosophy, or viewpoint, and which if accepted will tend to influence Government officials more and more toward socialistic solutions of current problems.

If any such precautions have been taken then discussion and decision as to them does not appear in the published reports, nor has any publicity been given to the fact.

KATHRYN CASEY,
Legal Analyst.

JULY 1, 1954.

EXHIBIT—PART II. CARNEGIE

EXCERPTS FROM THE YEARBOOKS OF THE CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE AND MATERIAL TAKEN FROM OTHER SOURCES FROM 1911–1952

(Source: Carnegie Endowment for International Peace, 1916 Yearbook:)

Page 33: "* * * The publications of the endowment may be divided generally into two classes: first, those of a propagandist nature, which the general public is not expected to purchase but which the endowment desires to have widely read."

* * * * * * *

Page 34: "* * * There are several other phases of the subject of the proper distribution of the endowment's publications which the Secretary believes should receive further consideration.

"The proposed charter of the endowment places upon an equal footing with its scientific work the education of public opinion and the dissemination of information. This is the proper light in which to view this branch of the work; unless the results of its efforts are read, appreciated, and utilized, the time, energy, funds of the endowment will be wasted. The problem therefore is deserving of the same serious thought as the problems of scientific work, which have heretofore received the chief consideration, but which now appear to be fairly solved.

"In speaking generally of educating public opinion and diffusing information, the trustees no doubt had in mind two distinct classes of people:

"(1) Those who are already of their own accord interested in the subjects which come within the scope of the endowment;

"(2) Those not now interested but who may be and should be made to take an interest in the work."

* * * * * * *

EDUCATIONAL WORK IN THE UNITED STATES

Page 71: "That very important portion of the educational work carried on in the United States, which is conducted through the American Association for International Conciliation, has already been described.

"In addition to this the Division of Intercourse and Education has directly conducted work of an educational character of three kinds—publicity through the newspaper press, lectures, and preparation and distribution of material for use in schools and by writers of school textbooks.

Publicity

"With a view to spreading an interest in international affairs and a new knowledge of them among the people of the United States, articles on subjects of international interest based on interviews with men of prominence in public and business life have been prepared and offered to a large list of newspapers throughout the country on a business basis. The opinion has been expressed by a number of editors and conductors of newspapers that these articles have been of the highest value and have exerted a large influence on public opinion."

(Source: Carnegie Endowment for International Peace, 1917 Yearbook.)

DIVISION OF INTERCOURSE AND EDUCATION

Page 53: "The continuance of the world war which broke out on August 1, 1914, has caused the Division of Intercourse and Education to confine its activities to two fields. The first includes the information and education of public opinion in the United States as to those underlying principles of national policy and national conduct that are most likely to promote an international peace which rests upon a foundation of justice and human liberty. The second includes those activities which have as their purpose the bringing of the peoples of the several American republics more closely together in thought and in feeling. * * *"

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EDUCATIONAL WORK IN THE UNITED STATES

Page 72: "In addition to the highly important educational work conducted for the division by the American Association for International Conciliation, two methods of reaching and instructing public opinion in the United States have been followed: publicity on international affairs through newspapers, and the preparation and distribution of material for schools and writers of school textbooks."

Publicity

"Syndicated articles mainly consisting of interviews with leaders of opinion in both American and European countries have been furnished to the newspapers on a commercial basis. These articles have not always been directly concerned with questions of international peace, but have furnished unusually valuable information on the public opinion, the political life, and the intellectual development of many nations. Their main object has been to increase in the United

States the amount and accuracy of knowledge of other countries and of their peoples. It is believed that the best foundation for international friendship and international justice is to be found in a thorough knowledge of our neighbors and a true appreciation of their institutions and their life."

* * * * * * *

CONCLUSION

Page 82: "It is probable that the greatest war in all history is approaching its end. At this moment no one can predict just when or how this end will come, but there are plain signs to indicate that a crisis has been reached beyond which human power and human resources cannot long hold out. It will be the special privilege and the unexampled opportunity of the Carnegie Endowment for International Peace to take active part in the work of international organization which must closely follow on the conclusion of the war. For that task this division is making itself ready by study, by conferences, and by persistent effort to prepare public opinion to give support to those far-reaching projects based on sound principle which if carried into effect will do all that present human power can to prevent a recurrence of the present unprecedented calamity."

(Source: Carnegie Endowment for International Peace, 1918 Yearbook, p. 65:)

DIVISION OF INTERCOURSE AND EDUCATION

"The instruction of public opinion in this and other countries, the sympathetic cooperation with established effective agencies for the spread of accurate knowledge of international relations and international policies, and the cementing of those personal and national friendships which the war with all its separations has so greatly multiplied, have solely occupied the attention of the division. To these purposes its resources have been exclusively devoted."

(Source: Carnegie Endowment for International Peace, 1920 Yearbook, p. 62:)

EDUCATIONAL WORK

"A wide distribution of books, pamphlets, and periodicals has been made from the offices of the division, with the definite aim of informing public opinion on questions of international significance, and the educational activity of the policy clubs, together with the limited but important work in summer schools, have proved an effective means of developing the international mind."

(Source: Carnegie Endowment for International Peace, 1923 Yearbook, p. 58, division of intercourse and education:)

"It is the established policy of the division to try to keep important personalities in various lands informed as to influential expressions of opinion on foreign affairs made in this country. With this end in view a list of the names and addresses of over 500 persons eminent in their own countries is maintained at the division headquarters. This year the list has been extended to include representatives of Germany and Austria. Among the expressions of American opinion circulated by the division during the period under review were: *Shall Our Government Cancel the War Loans to the Allies?* by Justice John H. Clarke; *The State of Our National Finances*, by Edwin R. A. Seligman; *Intelligence and Politics*, by James T. Shotwell; *Toward Higher Ground*, by Nicholas Murray Butler; and *What of Germany, France, and England?* by Herbert Bayard Swope. That such pamphlets are carefully read and discussed in this country, it is the judgment of the division that it is of sufficient importance to be brought to the attention of representative personalities in other lands to be read and discussed by them. The division assumes no responsibility for the contents of any books or articles so circulated save such as appear authoritatively over its own name * * *." [Italics supplied.]

(Source: Carnegie Endowment for International Peace, 1925 Yearbook, division of intercourse and education, pp. 49–50:)

"In respect of the general problem of international peace, public opinion is now almost everywhere persistently in advance of the action of governments. Only in rare cases do existing governments fully represent and reflect either the noblest ambitions or the highest interests of their own people in the discussions which are going forward throughout the world. * * *

"Few proposals could be more futile than that merely to outlaw war. Such outlawry would only last until human passion broke down its fragile barrier. The neutrality of Belgium was amply protected by international law, and the invasion of the territory of that country on August 4, 1914, was definitely and distinctly outlawed. Nevertheless it took place. Precisely the same thing will happen in the future, no matter what the provisions of international law may be, if the springs of personal and national conduct remain unchanged. Forms do not control facts. Laws must reflect, but cannot compel public opinion * * *." If such laws are to be truly effective, they must be not enforced but obeyed. They are only obeyed, and they only will be obeyed, when they reflect the overwhelming public opinion of those whom they directly affect. Once more, therefore, the path of progress leads to the door of conduct, both personal and national.

"It is beyond the limits of practical education or practical statesmanship to convince public opinion that there is not, and never can be, any cause for which men should be ready to lay down their lives if need be. The history of human liberty and the story of the making of free governments offer too many illustrations to the contrary. What is practicable is so to instruct, to guide, and to form public opinion that it will insist upon such national conduct and such public expressions on the part of representatives of governments as will promote international understanding and international cooperation, as well as reduce to a minimum those incidents, those policies, and those outgivings, whether on the platform, on the floor of parliaments, or in the press, that constantly erect such effective and distressing obstacles to the progress of international concord and cooperation."

* * * * * * *

Page 52: "Underneath and behind all these undertakings there remains the task to instruct and to enlighten public opinion so that *it may not only guide but compel the action of governments and public officers in the direction of constructive progress.* There must be present the moral conviction that a peace which rests upon liberty and justice is an ideal so lofty that no effort and no sacrifice may properly be spared in the task of securing its accomplishment. When this stage is reached it will not be necessary formally to limit armaments; they will atrophy from neglect and disuse.

"It is from precisely this point of view that the work of the division of intercourse and education has, from the beginning, dealt with the problem of international peace. The division has studiously refrained from mere sentimental expressions, and from participation in those futile acts which repel much more than they attract the support of right-minded men and women. The division has devoted itself for 15 years, and it will continue to devote itself, to the development among men and nations of the international mind. 'The international mind is nothing else than that habit of thinking of foreign relations and business, and that habit of dealing with them, which regard the several nations of the civilized world as friendly and cooperating equals in aiding the progress of civilization, in developing commerce and industry, and in spreading enlightenment and culture throughout the world'." [Italic supplied.]

(Source: Carnegie Endowment for International Peace, 1928 Yearbook, p. 38, division of intercourse and education:)

ADMINISTRATION OF THE DIVISION IN THE UNITED STATES

"In addition to this stated work a large part of the activity of the division is devoted to *the carrying out of specific, definite, and well-considered projects of demonstrated timeliness,* such as those to be described in the following pages. These projects might be subdivided to include, on the one hand, those in which the work is directed and supervised from the headquarters of the division and those which are carried out by the organizations or individuals to whom allotments are made from time to time. For instance, not only was the European trip of editorial writers planned by and details arranged from the division offices, but two members of the staff, the assistant to the director, and the division assistant accompanied the party for the entire trip and were in charge of all administrative

details. The correspondence and careful arrangements necessary in connection with the work of the visiting Carnegie professors of international relations are also done from the division offices. On the other hand, when an allotment is made by the executive committee to such organizations as the Interparliamentary Union, the Institute of Pacific Relations, or Dunford House Association, the work is administered by these organizations who report to the division upon the work when completed. As has already been said, these allotments are always made in support of definite projects. It is not the policy of the division to grant subventions continuing from year to year to organizations or undertakings not directly responsible to the administration of the division itself. * * *" [Italic supplied.]

(Carnegie Endowment for International Peace, 1930 Yearbook, p. 108:)

"* * * But it is not enough to have academies of this kind. The youth of each country should be instructed in international duties as well as in international rights in the colleges and universities of the nations at large. Therefore it is that the professors of international law and of international relations in the colleges and universities of the United States have met in conference in order to discuss and to agree upon the best methods to reach and to educate the youth—primarily of the United States—in the principles of international law and the bases of foreign relations. There have been four meetings: The first in 1914, the second in 1925, the third in 1928, and the fourth in 1929."

(Source: Carnegie Endowment for International Peace, Yearbook, 1934:)

Page 22: "* * * The attitude of the endowment toward applications from other organizations was fully explained in the secretary's report 2 years ago, where it was stated that 'The attitude of the endowment with reference to its support of other organizations in the same field presented a difficult question during the first half of the endowment's existence, but its experience has resulted in the definite policy of applying the revenue at its disposal to work carried on with the approval of its trustees and under the direct supervision of its own officers or agents,' What could not be undertaken during the earlier years of the endowment's existence, because of the war and its aftermath, so soon as the echoes of the war had died away was vigorously undertaken. A worldwide organization has been built up at a minimum of administrative cost, through which the endowment is in contact with the public opinion of nearly every land. The endowment is consequently not a money-granting, but an operating, body, and it operates through its own agencies either directly or through those which become substantially its own through their spirit and method of cooperation."

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Page 22: A review of the activities of the endowment since the world war, carried on separately through three main divisions, but operating as a unit in behalf of the great ideal of its founder, seems to justify the observation that the endowment is becoming an unofficial instrument of international policy, taking up here and there the ends and threads of international problems and questions which the governments find it difficult to handle, and through private initiative reaching conclusions which are not of a formal nature but which unofficially find their way into the policies of governments."

* * * * * * *

DIVISION OF INTERCOURSE AND EDUCATION

Page 44: "* * * If the world is to return, and without delay, to the path of progress, it must be given leadership which is not only national but international. It must find minds and voices which can see the whole world and its problems, and not merely those of one neighborhood since important problems which are purely national have almost ceased to exist."

* * * * * * *

REPORT OF DIVISION OF INTERCOURSE AND EDUCATION

Page 47: "The work of the division during the year shows definite progress along the path of constructive work for the education of public opinion throughout the world. This advance could not have been accomplished had it not been for the efficient and well ordered work of the central office where cost of over-

head is reduced to a minimum and where the staff, in full conformity with the NRA regulations, is faithfully carrying on its tasks."

* * * * * * *

Page 53: "While in the broadest sense all the work of the division is educational there are certain items which fall definitely under this head in making a report on the year's work. They have all been carried on with a view to the general enlightenment of public opinion and to encourage further study along international lines rather than as definite and continuing projects, such as those to be described later, which are an integral part of the work of the division."

* * * * * * *

Page 96: "It is plain from what has been written that the year has been one of constant study and vigorous work despite the fact that the world atmosphere has been distinctly discouraging. That economic nationalism which is still running riot and which is the greatest obstacle to the reestablishment of prosperity and genuine peace has been at its height during the past 12 months. If it now shows signs of growing weaker it is because its huge cost is beginning to be understood. It is only by such education of public opinion as that in which the division of intercourse and education is so largely engaged that this violently reactionary movement can be checked and there be substituted for it such international understanding, international cooperation, and international action as the needs and ideals of this present-day world so imperatively demand."

(Source: Carnegie Endowment for International Peace, 1937 Yearbook:)

Page 180: "* * * The major portion of the present work of the division of intercourse and education is devoted to educating public opinion in the significance of this forward-facing and constructive program for international cooperation.

"What I want to point out to the newer trustees is that what has been going on for 18 years is the result of most careful study and reflection, a result of consultation with leaders of opinion in every land, and is justifying itself not in any quick action by governments, but in the very obvious growth of public opinion."

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Page 182: "As to the work of the division of international law, that is a business of instruction, a business of education, a business not to make all members of a democracy international lawyers, but to put everywhere possible the material by means of which the leaders of opinion in all communities may know what are the real rights and duties of their country, so that it may be possible for the people who do not study and are not competent to understand, to get a source of intelligent and dispassionate information. And that process has been going on steadily.

"We had one very important illustration of the advantage of it during the past year. I really do not know how the Far-Eastern work of the late Conference upon the Limitation of Armament could have been done without MacMurray's book which had just a few months before been published by the endowment. The whole process of ranging the nine nations represented in the conference upon a basis of agreement for the treatment of Chinese questions so as to facilitate the heroic efforts of the Chinese people to develop an effective and stable self-government would have been exceedingly difficult, if not impossible, if we had not had those two big volumes published by the endowment upon our tables for access at any moment. We were continually referring to them and the members could turn to such a page and find such a treaty and such an agreement and have the real facts readily accessible. If the tentative arrangement towards helping the Chinese in their struggle works out, as I think it will, the publication of those books, at the time when they were published, will be worth to the world all the money that has been spent on the division of international law from the beginning. There were a dozen other books to which we continually referred."

Source: Carnegie Endowment for International Peace, 1941 Yearbook, Report of the Division of Economics and History, p. 117:)

"* * * All history shows, however, that these appeals to man's higher nature have had no permanent effect except where substitutes for war have been found

which could be used effectively in the settlement of disputes. The peace movement of the twentieth century owed whatever real strength it might have possessed to the fact that for the first time it concentrated upon this constructive aspect of the problem. Unfortunately, however, this method of approach was too new to be fully understood, with the resultant failures culminating in the present war. The events of the last 5 years, since Japan tested the peace machinery in the Far East, and then Italy and Germany followed its example in Africa and Europe, have clearly shown that if civilization is to survive somehow or other the peace machinery must be brought back into operation. The problem which confronted the makers of the League of Nations has again become a vital issue. The increasing awareness of this fact, not only here but in Great Britain and in the Dominions of the Commonwealth, is evidenced by the growth of a considerable number of bodies for research and discussion. Of one of these, the *Commission to Study the Organization of Peace*, the Director of this division was chairman, although in a purely personal capacity. Mention is made here of this effort because of the light which it throws upon the nature of the problem itself. It would be hard to find a greater contrast than between the background of the thinking of today and that of the vague and uncertain beginnings of similar discussions in 1917. The experiences of the League of Nations has after all taught us much, its failures equally with its successes. The most surprising feature, however, is the record of the International Labor Organization in the field of social welfare, a unique and wholly new experiment in international legislation. *It is this kind of planning for a new world order* on a cooperative basis which furnishes the constructive program of the peace movement at the present time. It is therefore important to ensure the preparation of careful and thoughtful monographs in the various fields covered by these surveys in order to prevent a recurrence of the superficiality which marked so much of the peace movement of the 1920's. It is here that the division of economics and history continues to offer the contribution of specific objectives and definite studies such as those indicated below." [Italics supplied.]

(Source: Carnegie Endowment for International Peace, 1942 Yearbook:)

DIVISION OF INTERCOURSE AND EDUCATION

Page 27: "The aims which the division pursues and which it urges constantly and steadily upon public opinion in the United States, in the Latin American democracies and in the British Commonwealth of Nations are definite and authoritative. They are three in number.

"The first is the formal proposal for world organization to promote peace made by the Government of the United States in 1910. This was contained in the joint resolution passed by the Congress without a dissenting vote in either the Senate or the House of Representatives and signed by President Taft on June 25, 1910."

Page 28: "The second is the statement of principles adopted by the international conference held in London at Chatham House on March 5–7, 1935. This conference, called by the Carnegie Endowment, remains the outstanding international conference of recent years."

Page 29: "The third is the important Atlantic Charter as declared by the President of the United States and the Prime Minister of the Government of Great Britain on August 14, 1941, which may be regarded as an endorsement of, and a suppement to, the principles proposed by the conference held at Chatham House."

Page 30: "It is these three declarations of policies and aims which are the subject of the worldwide work of the division of intercourse and education. They are the outgrowth of war conditions and of the threat of war. They are constructive, simply stated and easy to understand. As rapidly as other nations are set free to receive instruction and information in support of this threefold program, that instruction and information will be forthcoming. The war may last for an indefinite time or it may, through economic exhaustion, come to

an end earlier than many anticipate. In either case, the division of intercourse and education is prepared to carry on in the spirit of Mr. Carnegie's ideal and of his specific counsel."

Page 91: "The division likewise cooperates with various Government offices and with international organizations. Thus during the past year it has aided the Department of State in editing the many papers submitted to the ninth section (on international law, public law, and jurisprudence) of the Eighth American Scientific Congress. Such cooperation is appropriate because officers of the division served as chairman and secretary, respectively, of section IX, and the division's staff acted as the section's secretariat. Cooperative relations are also maintained with the Office of the Coordinator of Inter-American Affairs and with other Government agencies. Of a somewhat similar nature are the relations maintained with such international organizations as the Pan American Union and the Inter-American Bar Association. The assistance thus rendered to organizations official and unofficial, often requires the expenditure of much time, but it should be added that the relationship is not infrequently of mutual benefit since the division is often in a position, as a result thereof to obtain data which might not otherwise be readily accessible to it."

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(Source: Carnegie Endowment for International Peace, 1943 Yearbook.)

Pages 29–30: "The policies which were put in operation a quarter of a century ago, with the approval of more than 200 of the leading statesmen and intellectual leaders of the whole world, have proved to be most satisfactory and most important. Literally millions of human beings have been led to read together and to discuss the facts and the forces which constitute international relations and which make for peace of the country. Thousands of groups in the United States and hundreds of groups in other lands gather regularly to discuss the books that are provided by the endowment and to hear the lectures which are offered by visiting Carnegie professors.

"The work of the division has carefully avoided the merely sentimental or that sensational propaganda for peace which is all too common. It has based its work, and will continue to do so, upon the intellectual forces which alone can guide the world in the establishment of new and constructive policies of international cooperation to make another war such as now rages practically impossible."

Page 36: "Preparation of Programs for Secondary Schools: Special inquiry into the needs of secondary schools in the field of international relations study, under the direction of Professor Erling M. Hunt, of Teachers College, Columbia University, was carried on in cooperation with the *Commission to Study the Organization of Peace.* A group of New York City high school teachers took part in a summer working conference for a week. They planned and drafted an 80-page booklet which included reading and study suggestions for the use of senior high school students entitled *Toward Greater Freedom: Problems of War and Peace.* This has been published and distributed by the Commission to Study the Organization of Peace.

"The School of Education of Stanford University, California, was assisted by the division in bringing together, in July, a group of high school teachers and administrators from schools in the Pacific Coast and Mountain States. The group devoted 2 weeks to intensive analysis of war issues and postwar problems as they affect the curriculum and the individual teacher. As a result a report, Education for War and Peace, embodying the findings of the groups and intended as a pamphlet for immediate use in schools, has been published by the Stanford University Press." [Italics supplied.]

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Page 37–38: "Any doubts which might have been entertained as to the value of the International Relations Club work in colleges and universities, during the long years in which the endowment has been operating, must have been completely dispelled by the magnificent response that has come from both faculty advisers and students during this period of disruption and confusion caused by the present worldwide catastrophe. Each of the 12 regional conferences was carried through during the calendar year 1942. This is the more remarkable since difficulties have increased rather than lessened as the war progresses. Almost every letter

received at the opening of the academic year announced that faculty advisors were leaving their respective campuses to serve in the armed forces or to support in advisory capacity Government defense projects, but even when called away summarily these faculty members have found time to appoint successors and to write a heartening letter as to the importance of carrying on. The drain upon the student body through induction into the Army has been overwhelming. In many of the colleges students are using their spare time in local war industries or in defense work if they have not actually left college, and most of the studies have been directed along engineering and other lines closely connected with the war effort. But even the boys who know that within a few weeks they will be in a military camp have tried to learn the deeper causes of the war through continued attendance at the club meetings, and at many of the conferences uniforms have been in evidence, worn by ex-club members who have been granted permission to attend. In fact, the clubs have continued with more enthusiasm and vigor than ever before.

(Source: Carnegie Endowment for International Peace, 1944 Yearbook, pp. 70–74:)

"Many problems of international organization and administration are confronting the United Nations authorities, and problems of that nature will assume far greater importance as the war draws to an end and postwar activities undergo the large-scale development now anticipated. Foreseeing such a trend, the division has given much attention to this field during the past 2 years.

"There is, of course, no international civil service to evolve formal rules, practices, and precedents for future guidance in international administration; and although there has been encouraging progress in methods of international organization, those methods are not as yet beyond the trial-and-error stage. Moreover, the literature in these fields is extremely inadequate. Yet valuable experience has been acquired in both administration and organization, especially by the Secretariat of the League of Nations, the International Labor Office, and other international agencies, some of which have functioned successfully over a considerable period of years. This experience however, is contained partly in unpublished records and, to an even greater extent, in the memories of those who have served in the organizations in question; and it is therefore not available for the guidance of the many officials and agencies now actively concerned in planning and setting up the machinery for future international cooperation.

"With a view to making available the most important features of such experience, the division has held a series of conferences which have been attended by officials and former officials of the League of Nations and of other international bodies, and in some instances by government officials and others especially interested in the fields of the conferences. The first of these meetings, held in New York on August 30, 1942, was of an exploratory nature, its chief purpose being to determine what particular aspects of the experience of the League of Nations Secretariat might be further studied and recorded in usable form. At the end of the following January a second conference was held at Washington, which was devoted specifically to a survey of experience in international administration. And some 6 months later, on August 21–22 of last year, a third conference was held in Washington to discuss the problem of training for international administration. The proceedings of the first two conferences were issued in confidential mimeographed editions and given a restricted distribution, chiefly among government agencies and their personnel. The proceedings of the third conference, however, will be of interest to a much wider group, including not only officials but educators and others deeply concerned with the need of adequate training for the staffs of many international agencies which are either in process of formation or are contemplated for the postwar period. For this reason, the proceedings of the third conference have been carefully edited and supplemented with documentary materials, and printed for a wider distribution."

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"As a result of the conferences and related activities, as well as of the studies made by its staff, the division has established useful relations with many highly qualified and experienced experts, and this in turn has made it possible to plan and arrange for the preparation of a series of studies by a number of these experts on international organization and administration. The studies, more fully described below, record both experience and precedents in the fields in question and constitute a rich source of information which, in the main, has hitherto been inaccessible.

"These activities of the division have placed it in a peculiarly strategic position *to cooperate with official agencies preparing to undertake important international functions.* At the outset, such agencies are, of course, confronted with problems of organization and administration, and it is a matter of urgent necessity for them to obtain materials which will assist them in meeting these problems. It is a source of great satisfaction to the director that the division has been in a position to supply such materials. Without attempting to list these instances of cooperation in detail, mention should be made here of a few examples by way of illustration.

"For some months, the Office of Foreign Relief and Rehabilitation Operations (OFRRO) was engaged in preparations for the organizing conference of the United Nations Relief and Rehabilitation Administration (UNRRA) held at Atlantic City, November 10 to December 1, *and it frequently called upon the division to assist by various means in these preparations.* Thus, in August, the division was able to arrange to have several officials of the League of Nations come to Washington to take part in discussions of plans for the administrative budget of the new organizations. In a letter to the endowment former Gov. Herbert H. Lehman, then director of OFRRO and recently chosen director of UNRRA, wrote expressing his 'great appreciation for the very real contribution which you and the Carnegie endowment made to our preparations for a United Nations Relief and Rehabilitation Organization.'

"Members of the staff of OFRRO were early supplied by the division with the materials assembled as the result of the several conferences on international organization and administration above mentioned. As the date of the conference in Atlantic City approached, the division received numerous additional and more urgent requests for assistance from OFRRO. In compliance with these requests, several special memoranda were prepared under great pressure for use in connection with the UNRRA conference. These dealt with the following subjects:

"International Conferences and Their Technique
"Precedents for Relations Between International Organizations and Nonmember States
"Status of Observers at International Conferences
"Seconding by International Organizations and from National Services to International Agencies
"The Creation, Composition, and Functioning of Standing Committees of UNRRA

"The appreciation with which these contributions from the division were received can hardly be overstated. As an illustration, mention may be made of a personal note of November 17 received by the director from Dr. Philip C. Jessup, a member of the endowment's board of trustees, and then serving as Assistant Chief of the Secretariat of UNRRA. After describing one of the documents as having proved 'most helpful in the solution of some troublesome problems'; and expressing amazement that it had been possible to supply 'so thoughtful and so complete a document under such enormous pressure of time,' Dr. Jessup referred to other materials supplied by the division as being 'also very much appreciated,' and added: 'I think the endowment is certainly entitled to congratulate itself upon the contribution it has made to the smooth functioning of international organizations which, to a large extent, must be the mechanical means of developing international peace.'

"It should be added that, in addition to these special memoranda, the division supplied several copies of its various publications relating to international organization and administration to the library of the conference at Atlantic City. Shortly after the conference met, an urgent request was received from the American delegation at Atlantic City for additional copies of these publications, to be sent to the conference by special courier. The division was, of course, glad to meet this request. Of a somewhat different nature were the numerous urgent inquiries for specific information received from officials connected with the conference. These inquiries dealt with such topics as relations of former enemy governments after the last war with the American Relief Commission, diplomatic immunities of members of international organizations, and staff regulations of such organizations. In each instance, the division was able either to supply the information requested, or to indicate the best source from which it could be obtained.

"Similarly, though to a somewhat lesser degree, the division has cooperated with the recently created Interim Commission of the United Nations Conference on Food and Agriculture. Copies of the endowment's publications on international organization and administration were supplied to the Commission; the

director and other members of the division staff have conferred with the executive secretary of the Commission on problems relating to the constitution, organization, and staffing of the newly created body; and the division has supplied the Secretariat with data on inter-American agencies dealing with problems in the fields of food and agriculture.

"In addition to such special inquiries, the division receives from day to day, often by telephone, requests for information from government offices on technical subjects in the international field. Although these are too numerous to list here, it may be said that they are answered as fully as possible and as promptly as is consistent with scrupulous accuracy. The assistance rendered by the division has not been limited, however, to American and international agencies. It maintains cordial and often mutually helpful relations with the diplomatic missions in Washington and frequently supplies them with published materials and other data.

"These studies, mentioned on a previous page, are in fact competently written monographs. Because of the urgent demand for such materials, they are being issued in preliminary form in small mimeographed editions. It is the Director's belief, however, that they have much more than a transitory value, and that as soon as is practicable some of them should be published in revised and permanent form. The folowing list comprises the studies already issued in mimeographed form:

"Memorandum on the Composition, Procedure, and Functions of the Committees of the League of Nations
"International Conferences and Their Technique—a handbook
"International Drug Control, a Study of International Administration by and through the League of Nations
"The League of Nations and National Minorities, an Experiment

"The following studies are now being prepared and will be published during the coming year:

"The Situs of International Organization
"Diplomatic Immunities and Privileges of Agents and Staff Members of the International Organization
"Relations Between International Organizations and Nonmember States
"The Participation of Observers in International Conferences
"The Ecoomic and Financial Organization of the League of Nations
"The League of Nations' Mandates System
"The League of Nations' Secretariat
"Financing of International Administration

"The names of the authors of these studies are being withheld for the present. They are all, however, present or former officials competent from actual experience to deal with the subjects involved." [Italics supplied.]

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(Source: Carnegie Endowment for International Peace, 1945 Yearbook:)

THE LIBRARY AND INFORMATION BUREAU

Page 25: "The work of the library has continued along the same general lines described in previous reports. In accordance with the policy adopted in 1942, governmental agencies were given precedence in the use of the library's materials. In addition, its resources have been used by numerous foreign embassies and legations and by the participants of such international meetings as those at Dumbarton Oaks. Scholars, press representatives, professors, and international, national, and local organizations have also been served.

"The ever-increasing discussion of the peace to follow the present war has brought renewed demands for information on the subject. The endowment's library is known in Washington for its wealth of material on peace and international organization and for its services in making these materials available. As a result, library staff members have spent an increasingly large proportion of their time in reference work with visitors. At the same time, due to the accelerated publication program in the Division of International Law, reference work for the endowment staff has been tremendously increased."

Page 30: "The proposals of statesmen and of public leaders for United Nations organization and the formation of general opinion on these plans have been the basis of growing action during the past year in the extension of the division's work. Both by continuous contact with central groups operating programs of study in the main regions of the country and by collaboration with local institutes and councils, this important interest has been pursued. The announce-

ment of the Dumbarton Oaks proposals heightened its significance in the last quarter of the year and gave immediate political reality to it as an issue facing our people.

"The development of centers in many part of the country, for organizations associated with the endowment, has been described in preceding reports. The brief summary of their expanding activities which can be given here demonstrates that, although the programs and methods of the various centers differ, there is agreement as to their fundamental purpose: to educate public opinion in regard to the underlying principles essential to security after the war and to welfare throughout the world."

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Page 103: "As this report goes to press, the interest of the civilized world centers upon the United Nations Conference on International Organization meeting at San Francisco on April 25. As this event promises to be the culmination of much in the program of planning and policy advocated repeatedly in the annual reports of this division and in its work and that of its director in affiliated organizations, it is fitting to comment upon it and the nature of the peace settlement at the end of the Second World War, of which it is so important a part. Therefore, without in any way attempting to anticipate what may or may not be done at the San Francisco Conference, it seems not only valid but necessary to link it up with the outlook and activities of the Endowment.

"During the past 5 years, both within the program of the division itself and in connection with the research work for the International Chamber of Commerce and the *Commission To Study the Organization of Peace*, the director has been engaged upon a comprehensive series of studies dealing with postwar economic policies and international organization * * *.

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Pages 105–106: "The provision of the Dumbarton Oaks proposals for the erection of an Economic and Social Council under the Assembly, a provision unfortunately absent from the Covenant of the League of Nations, has not yet received anything like the attention which it deserves. Naturally the provisions for security take the precedence in all discussions of the plan for world organization, but in the long run the provision for the economic organization is more important, if the security organization succeeds in the establishment of peace for even a generation. The advancement of science will ultimately outlaw war, if it has not already done so, but creates vast new problems in the field of economic relationships.

"This inescapable conclusion is now widely shaded by thoughtful people, but its application in practical politics is by no means assured in the most enlightened countries. Here, therefore, is the area of international relations in which the Carnegie Endowment for International Peace should continue to concentrate. The affiliation with the International Chamber of Commerce should be strengthened through the Committee on International Economic Policy. At the same time the interplay of all these forces making for peace and international understanding is translated into concrete form by the Commission to Study the Organization of Peace with which this division of the endowment has also been closely associated.

"It is, however, fitting and proper now to record the fact that the director of the division was consultant in the State Department for a year and a half during all of the earlier phases of the planning of the General International Organization agreed upon at the Moscow Conference and finally developed in the Dumbarton Oaks proposals. The plans of the small subcommittee on postwar organization, meeting under the chairmanship of the Under Secretary, Mr. Sumner Wells, of which the director was a member, have remained basic throughout the period of negotiation. The director was also a member of the Security Committee, the agenda of which covered, among other things, the problem of armaments, and the Legal Committee, concerned with American participation in an International Court of Justice, and other problems of international law. More important, from the standpoint of practical politics was the political committee in which some members of the technical committees sat in conference with some of the leading Senators and Congressmen under the chairmanship of the Secretary of State. These formal discussions, which were held almost every week for several months, have borne good results in strengthening the relations between the executive and legislative branches of the Government with reference to the postwar settlement. It goes without saying that Secretary Hull, aware from long experience of the need of cooperation between the State Department and Congress, did not

by any means limit his contacts to these formal meetings. Nevertheless, they were of real importance in the clarification of policy.

"In the field of cultural relations, the director resigned his chairmanship of the National Committee on International Intellectual Cooperation, an office which he had held by virtue of his membership of the Organization of International Intellectual Cooperation of the League of Nations. At at conference of representatives of the various national committees of the Latin-American countries held in Washington, he was elected member of a small international committee created to give effect to the resolution of the Havana Conference of 1941. Progress of the war, however, has interrupted this development and the organizing committee is happily faced with a new and much more developed plan for postwar organization in cultural relations under the auspices of the State Department, than the advisory committee of which the director was a member until its dissolution."

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PUBLICATIONS

Page 112: "* * * General International Organization: This is a statement prepared by the Commission To Study the Organization of Peace which summarized the conclusions of past reports and recast them with reference to the plans then under consideration for the Dumbarton Oaks Conference. It is gratifying to note the many points of this statement which parallel the proposals of that conference. Upon the conclusion of the conference, the commission issued a statement to the press which was commented upon in a letter to the director by Edward R. Stettinius, Jr., then Under Secretary of State, as follows: 'The statement is another indication of the notable service in working for an objective and scientific approach to the problems of international organization which has marked the publications of the Commission To Study the Organization of Peace in the past.'"

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EDUCATION

Page 114: "When the Dumbarton Oaks proposals were made public, the commission called together the heads of 75 national organizations to discuss a widespread educational program to bring the proposals before the American public. These groups have been meeting regularly in New York City, discussing both publications and education techniques. Representatives from the Department of State have been attending the meetings.

"The commission has cooperated also in the regional conferences at which representatives of the State Department have met with organizational leaders in off-the-record discussion of the proposals. Meetings were held in Portland, Salt Lake City, Detroit, Salina, Dallas, St. Paul, and Atlanta. Large public conferences on the proposals were held in New York City and other key centers, the meetings being arranged by the commission's regional offices. In addition, the commission continued its regular educational program, working with other national organizations, schools and colleges, labor, farm, and business groups, and concentrating considerable attention on rural areas and small towns.

"Special institute meetings were held in cooperation with the World Alliance for International Friendship Through the Churches in Dallas, Tex.; LaFayette College, Pa.; Miami and Winter Park, Fla.; Chicago, Ill. The regional commissions have held other public conferences and institutes throughout the year."

The series of lectures which the commission has been sponsoring at the New School for Social Research has now covered a considerable number of problems of postwar international organization, dealing with labor, cultural relations, mandates, plebiscites, the World Court, public health, minorities, moving of populations, human rights, international education, and an analysis of the Dumbarton Oaks proposals. The lecturers included Clark M. Eichelberger, Prof. Carter Goodrich, Dr. Walter Kotschnig, Prof. Oscar I. Janowsky, Prof. Quincy Wright, Dr. C. E. A. Winslow, Dr. Frank L. Lorimer, Mr. Beryl Harold Levy, Dr. Hans Simons, Dr. Sarah Wambaugh, Dean Virginia C. Gildersleeve, and the director of the division.

Over 600,000 copies of the commission's reports have been distributed and the distribution of its popular material numbers 3¼ million pieces. A number of basic pamphlets were published in 1944, including a guide to community activity and discussion entitled, "The Peace We Want"; a third revision of a high-school pamphlet, Toward Greater Freedom; a revised edition of a farm pamphlet, Win-

ning the War on the Spiritual Front; a picture book of full-page illustrations by the artist, Harry Sternberg, of the commission's statement of fundamentals, a project undertaken with the cooperation of the Committee on Art in American Education and Society; an analysis and comment on the Dumbarton Oaks proposals, prepared by Clark M. Eichelberger. In 3 months 50,000 copies of this pamphlet were distributed, it being used by many groups as a basic text. A third printing is now being made.

(Source: Carnegie Endowment for International Peace, Yearbook 1946:) Pages 24–25:

UNITED NATIONS CONFERENCE ON INTERNATIONAL ORGANIZATIONS

"The endowment was invited by the Secretary of State to send representatives to serve as consultants to the American delegation at the United Nations Conference on International Organizations held at San Francisco, April 25–June 26, 1945, at which the charter of the United Nations was drafted and signed. In response to this invitation, the endowment was represented at the conference by *Dr. James T. Shotwell*, director of the division of economics and history, who served as a consultant, and *Mr. George A. Finch*, secretary of the endowment and director of its division of international law, who served as associate consultant. A number of other trustees were present at the conference in an official or consultative capacity. *Mr. John Foster Dulles* was an official adviser to the American delegation, and *Mr. Philip C. Jessup* was a technical expert on judicial organization. Endowment trustees representing other organizations were *Messrs. David P. Barrows, W. W. Chapin, Ben M. Cherrington*, and *Harper Sibley. Mr. Malcom W. Davis*, associate director of the division of intercourse and education, was the executive officer of the first commission of the conference."

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CONFERENCE ON AMERICAN FOREIGN POLICY

"To assist in informing public opinion concerning the foreign policy of the United States, the endowment sponsored a conference at Washington on November 26–27, 1945, of representatives of national organizations who took part in a discussion program with officers of the Department of State concerning America's Commitments for Peace. The secretary of the endowment acted as its representative in carrying out the details of the conference. Eighty national organizations accepted the endowment's invitation and were represented by its 125 delegates. The conference was greeted in person by Secretary of State *James F. Byrnes*. There were four sessions. The first was devoted to World Trade and Peace. The official statement on the subject was made by *Mr. Clair Wilcox*, director of the Office of International Trade Policy. The second session dealt with Relief and Rehabilitation. Governor *Herbert H. Lehman*, Director General of UNRRA, laid the facts of the situation before the conference.

"At the third session, Hon. *Dean Acheson*, Under Secretary of State, explained the official policies toward Germany and Japan. At the concluding session, *Mr. Alger Hiss*, Secretary General of the United Nations Conference at San Francisco, made a progress report of the United Nations Organization. Following the presentation of the leading address or paper at each session, a panel of experts from the Government offices chiefly concerned answered questions propounded by the assembled representatives of the national organizations. At a luncheon tendered by the endowment at the close of the conference, Hon. *William Benton*, Assistant Secretary of State in charge of public affairs, explained the International Information Program of the Department of State. Letters of commendation have been received from many of the national representatives who were in attendance, and a letter expressing appreciation of the cooperation of the endowment was sent by Secretary of State *Byrnes* to President Butler under date of December 7." [Italics supplied.]

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Page 45: "As a result of the continued educational program which the Minnesota United Nations Committee at St. Paul has conducted for the division throughout the year, there is reason to believe that public sentiment in Minnesota is favorably inclined toward the United Nations Organization and other

forms of international cooperation. This is shown by an inspection of editorial comment in the State."

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SURVEY OF PROGRAMS OF THE UNITED NATIONS

Pages 38–39: "Following the ratification of the United Nations Charter by the number of nations required to put it into effect, and in furtherance of a suggestion originally made by a trustee of the endowment for a survey of peace organizations as to their functions and effectiveness in reaching public opinion in the United States, the division sent out inquiries to national organizations as to what they were doing to bring to the attention of their members the commitment of the United States to the United Nations. 'Peace' organizations as such form only part of the program for reaching public opinion in the United States. A questionnaire was forwarded to 150 organizations in October, of which 29 were 'peace' organizations, and the division was gratified to receive answers from 100 of them.

"The report, compiled from this survey by Miss Cathrine Borger, of the division staff, showed that practically every organization engaged in popular education of various types, regardless of particular field—scholastic education, citizenship education, religious, service clubs, women's organizations, youth, business, farm, labor, specialized interests—is devoting some part of its programs to making its membership aware of the commitment of the United States to the United Nations.

"Among the suggestions received as to methods which should be emphasized in developing popular knowledge of international organization were the need of preparing single ilustrated booklets, more use of motion pictures and radio, forums and discussion groups, as well as development of suitable publications for schools and colleges. Education of young people was mentioned by a number of organizations. Six organizations maintained that personal contacts and leadership provided the most effective method, and another stressed the need for dividing efforts between raising the general level of 'where people are' and working with interested groups willing to join in concerted activities. Of major importance were those stressing the necessity of developing material showing what the United Nations Organization cannot do as well as what it can do, and of full publicity for every activity of the United Nations, and more especially for the activities of the United States and its delegates.

"The greatest lack in public education with regard to the American commitment concerns people who are not reached by any organization, since they have not been interested to join, and do not realize that they too constitute public opinion and have to assume their responsibilities as citizens not only of the United States but of the world. The Carnegie Endowment, as an institution seeking neither members nor maintenance by dues and contributions, is in a position both to work with other organizations and also to respond to this need of primary education."

Pages 50–52:

WORK THROUGH RADIO AND MOTION PICTURES

"During the past year Beyond Victory has been presented each week under the combined auspices of the World Wide Broadcasting Foundation and the endowment, over nearly a hundred stations in all parts of the United States and Canada. This nationally known series of programs, now well into its third year, has established itself with an audience of discriminating listeners throughout the country as offering interest and authoritative comment or many phases of postwar adjustment.

"In the spring of 1945 a special group of programs centered around the San Francisco Conference of the United Nations. Two members of the American delegation, *Dean Virginia C. Gildersleeve* and the former Governor of Minnesota, *Harold E. Stassen*, spoke of the general issues which the conference faced. *Dr. James T. Shotwell* and Dr. Raymond Fosdick contrasted the San Francisco conference with the Paris Conference of 1919. The problem of security was discussed by Dr. Quincy Wright, and colonial issues by Dr. Arthur W. Holcombe and others. The Charter of the United Nations was discussed by the executive officers of the four commissions at San Francisco: Mr. Malcom W. Davis, executive officer of the First Commission, spoke on the People Write a

World Charter; Mr. Huntington Gilchrist, executive officer of the Second Commission, on The Charter—Jobs for All; Prof. Grayson Kirk, executive officer of the Third Commission, on The Security Council—How It Works; and Prof. Norman J. Pabelford, executive officer of the Fourth Commission, on The Charter and International Justice. The essential purpose in this group of programs was to clarify the development of the charter in the conference at San Francisco and to explain the functions and powers provided by its sections, for security and welfare.

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"During the past year many libraries in the United States have asked to be put on a special list to receive copies of Beyond Victory scripts every week. About 50 libraries in all parts of the country are now receiving this weekly service, and many have applied for its renewal for another year. Occasional Beyond Victory scripts appear on the reading tables of nearly a hundred additional libraries which request them from time to time. They are also sent to several leading universities and a substantial number of secondary schools in the United States. In addition, shipments of transcriptions of Beyond Victory broadcasts were forwarded to Army camps and hospitals in the United States, averaging from 10 to 12 in each shipment, and to the Marianas, Saipan, and the Guadalcanal commands and the European theater. Many letters of appreciation hve been received from officers telling how these records were used in orientation programs and convalescent wards, and describing the favorable reaction and resulting value. A letter from the Finney General Hospital, Thomasville, Ga., says in part, 'Your selection of subject matter seems to be just what we have been looking for in our orientation program, and I wish to compliment you on the wide selection available on postwar activities.' The transcriptions were also used by the Office of War Information up to the time that organization was dissolved."

THE ANGLO-AMERICAN FINANCIAL AGREEMENT

Page 111: "The executive committee concluded that many goals of the committee were at stake in the proposed Anglo-America financial agreement. It was therefore decided to publish an objective statement concerning the British loan.

"Dr. Nicholas Murray Butler wrote the foreward to the resulting brochure, *Fifteen Facts on the Proposed British Loan*, which was edited by Robert L. Gulick, Jr. There was a first edition of 200,000 copies, and a second of 100,000 is now being printed. Hon. W. L. Clayton, Assistant Secretary of State, has this to say about the Fifteen Facts: "Permit me to congratulate you on an excellent job which I am sure will be most helpful in placing the loan before the public in proper perspective." Margaret A. Hickey, president of the National Federation of Business and Professional Women's Clubs, Inc., writes in similar vein: 'In my opinion this is excellent material, presented in a fashion which simplifies and clarifies the principal points involved in the legislation now pending before Congress.'

"The board of directors agreed, without dissent, to sponsor a campaign of public education relating to the agreement. A special committee was formed under the chairmanship of Hon. Charles S. Dewey, former Congressman from Illinois, and a vice president of the Chase National Bank. Other members of this committee include: Robert W. Coyne, National Field Director, War Finance Division, United States Treasury; Ted R. Gamble, Special Assistant to the Secretary of the Treasury; William Green, president of the American Federation of Labor; Eric A. Johnston, president, Chamber of Commerce of the United States; Philip Murray, president, Congress of Industrial Organizations; Edward A. O'Neal, president, American Farm Bureau Federation; Philip D. Reed, chairman of the United States Associates of the International Chamber of Commerce: Anna Lord Strauss, president, National League of Women Voters; and Robert L. Gulick, Jr."

(Source: Carnegie Endowment for International Peace, 1947 Yearbook.)
Pages 16–17:

RECOMMENDATION OF THE PRESIDENT

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"Among the special circumstances favorable to an expansion of the endowment's own direct activities, the most significant is the establishment of the United Nations with its headquarters in New York and with the United States

as its leading and most influential members. The United States was the chief architect of the United Nations and is its chief support. The opportunity for an endowed American institution having the objectives, tradition, and prestige of the endowment to support and serve the United Nations is very great. No other agency appears to be so favorably situated as is the endowment for the undertaking of such a program. So far as we have been able to ascertain, no other agency is contemplating the undertaking of such a program. Consequently, I recommend most earnestly that the endowment construct its program for the period that lies ahead primarily for the support and assistance of the United Nations.

"I would suggest that this program be conceived of as having two objectives. First, it should be widely educational in order to encourage public understanding and support of the United Nations at home and abroad. Second, it should aid in the adoption of wise policies both by our own Government in its capacity as a member of the United Nations and by the United Nations organization as a whole.

"The number and importance of decisions in the field of foreign relations with which the United States will be faced during the next few years are of such magnitude that the widest possible stimulation of public education in this field is of major and pressing importance. In furthering its educational objectives the endowment should utilize its existing resources, such as the International Relations Clubs in the colleges, and *International Conciliation*, and should strengthen its relationships with existing agencies interested in the field of foreign affairs. These relationships should include close collaboration with other organizations principally engaged in the study of foreign affairs, such as the Council on Foreign Relations, the Foreign Policy Association, the Institute of Pacific Relations, the developing university centers of international studies, and local community groups interested in foreign affairs of which the Cleveland Council on World Affairs and the projected World Affairs Council in San Francisco are examples.

"Of particular importance is the unusual opportunity of reaching large segments of the population by establishing relations of a rather novel sort with the large national organizations which today are desirous of supplying their members with objective information on public affairs, including international issues. These organizations—designed to serve, respectively, the broad interests of business, church, women's, farm, labor, veterans', educational, and other large groups of our citizens—are not equipped to set up foreign policy research staffs of their own. The endowment should supply these organizations with basic information about the United Nations and should assist them both in selecting topics of interest to their members and in presenting those topics so as to be most readily understood by their members. We should urge the Foreign Policy Association and the Institute of Pacific Relations to supply similar service on other topics of international significance.

"Exploration should also be made by the endowment as to the possibilities of increasing the effectiveness of the radio and motion pictures in public education on world affairs." [Italics supplied.]

(Source: Staley, Eugene, War and the Private Investor, Doubleday, 1935, pt. III: Towards a Policy, ch. 18, Alternate Courses of Action, pp. 470–471:)

"The search for the underlying causes of international investment friction has revealed that capital investment is a form of contact peculiarly apt to occasion conflict, while the existing institutions for the adjustment of these conflicts are not only inadequate but are fundamentally ill-adapted to the task. The defectiveness of the institutions of adjustment arises largely from the fact that the areas of political loyalty and political organization on which they are based, are smaller than the area of conflict-producing contact, which today includes practically the whole world. * * *"

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"With these general considerations in mind we now turn our attention to the appraisal of various policies which have been practiced or which may be suggested in connection with the problem of reducing the political friction connected with international private investment. These policies may be grouped according to their basic characteristics under three general headings, and will be so discussed: (1) mere anti-imperialism, (2) national supervision of investments abroad, (3) denationalization and mondial [1] supervision of international investments. * * *"

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[1] The meaning of this special term will be explained later.

(Pt. III: Towards a Policy, ch. 19: Specific Suggestions:)

A WORLD INVESTMENT COMMISSION

Pages 498–499: "The functions which might be discharged by a world commission on permanent economic contracts between nations are plentiful and important enough to justify the creation of such an agency. The World Investment Commission, if we may give it that name, should begin the development of that effective supervision by the world community which must gradually undermine national diplomatic protection and render denationalization of investments possible."

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Pages 500–501: "How would the World Investment Commission operate? It should have the following powers and duties:

"To register international loan agreements and concessions; to make their terms public; to regulate their terms in certain respects.

"To collect continuous and accurate information respecting international investment operations and all their ramifications and effects—social and political as well as economic.

"To call general conferences on a world or regional basis, or conferences of certain industries (e. g., concession holders, consumers, and states granting concessions in the oil industry). These conferences would consider problems raised by international capital migration, and out of them something akin to world investment legislation might emerge.

"To cooperate with the Mandates Commission of the League of Nations, the International Labor Organization, commissions on codification of international law, and other international agencies whose work has a bearing on the setting of standards for protection of capital-importing regions against ruthless exploitation.

"To examine and report on the financial condition of borrowing states[2] and private enterprises; to make observations on the political and social implications of specific capital transactions.

"To call attention to any conditions likely to intensify international investment conflicts or to occasion political friction over investments and to make recommendations with respect thereto.

"To endeavor to conciliate disputes, calling conferences of lenders and borrowers for this purpose, mediating, arbitrating, seeking to work out compromises, employing the services of disinterested experts to provide full social and economic information on the basis of which equitable adjustments might be sought.

"To make a public report of its findings where a party to a dispute before the Commission refuses to come to an agreement which in the opinion of disinterested conciliators is just and reasonable.

"To publicly advise, after hearings, against further provision of capital to a state or corporation which has failed to observe a contract obligation without just cause. This would presumably make the flotation of loans difficult anywhere in the world for such a state or corporation. Here is one of the 'sanctions' which would enable the Commission to take over the function (now exercised by national diplomatic protection) of protecting investors abroad—that is, of guaranteeing minimum standards of fair treatment for the investment interests of aliens in all countries. If organized on a worldwide basis, this sanction would be sufficient in many cases to accomplish more in the way of protection than is now usually accomplished by diplomatic protection. At the same time, it would tend to remove investment protection as a pretext for national aggression and remedy other defects of the system of national diplomatic protection.

"To refer legal questions to the Permanent Court of International Justice or to the World Commercial Court (suggested below) for an advisory opinion or final settlement.

"To cooperate with regional organizations like the Pan American Union in the establishment of regional subcommissions for handling investment problems that affect mainly one part of the world."

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Page 504: "This proposal would obviously involve the creation of an international corporation law, probably through an international treaty to be framed and adopted under the auspices of the League of Nations. * * *"

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[2] The Commission would probably deal with State loans as well as with the private investments upon which the discussions of this volume have been focused.

A WORLD INVESTMENT BANK

Page 509: "As a means of filtering out the national interest in world capital movements and thereby promoting the dual process of denationalization and mondial supervision, a World Investment Bank might perform useful functions. Such a bank would sell its bonds to governments or to private investors and invest the funds so raised in long-term construction projects, such as railways in South America and China, airways over the world, canals, harbor works, international river improvements, and the like. * * *"

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Pages 512–513: "A useful contribution to the denationalization of international investment (and also trade) relationships would therefore be made by the development of a world 'consular service' for the provision of detailed economic information and the encouragement of world commerce. Such a service could best be built on the foundation already laid by the excellent work of the League of Nations and the International Labor Organization in the field of economic information. * * *"

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Pages 515–516: "The League of Nations: It is worthy of note that practically all the specific measures proposed in this chapter for dealing with the political problems raised by international investments depend in some fashion upon the presence of a world political organization. If the League of Nations did not exist it would be necessary to create it, or something like it, before investment problems could be attacked with any hope of success. The League should be supported, strengthened, and developed. Its legislative powers should be increased and its authority enlarged. Just as the loose league of sovereign States first established under the Articles of Confederation developed into the Federal Government of the United States of America, so the League of Nations must be developed from a confederation of sovereign states into a federal world government. Of course the United States, which has such a large stake in the orderly supervision of international investment relationships, should actively encourage this process. An essential step is entry into the League. * * *"

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Pages 517–518: "International civic training: It is all too evident that the measures and devices proposed in this chapter can never succeed, cannot even be tried, unless there is a sufficient sense of world citizenship among the different peoples of the earth and among their leaders. Such a sense of world citizenship may be stimulated by a rational appreciation of the worldwide interdependence of economic, social, and political life, but to be politically effective the emotions must also be touched and loyalties to new supranational symbols must be developed. Can such loyalties be achieved short of an international working-class revolution, or can they be achieved by such a revolution? That is one of the most fundamental questions affecting the future form of social life on this planet. The development of international attitudes in the schools, world intellectual cooperation, adult education on the interdependence of the modern world, celebration of the heroes common to all mankind—all these things, and many more at first sight quite unrelated to international investments, have an important bearing on the specific problem of investment friction.[3] * * *"

EXCHANGE OF CORRESPONDENCE REGARDING INTERNATIONAL RELATIONS CLUBS

APRIL 20, 1954.

Mr. JOSEPH E. JOHNSON,
Carnegie Endowment for International Peace,
New York, N. Y.

DEAR MR. JOHNSON: My contacts with you and the other member of the endowment staff were so pleasant that it is with a keen sense of disappointment that I now resign myself to writing for certain information instead of visiting you in person. However, it is becoming increasingly evident that our activities will require me to spend all my time here.

In the confidential reports, as well as the yearbooks, there are references to "international polity clubs" which were, as I recall, established by the Carnegie Endowment for International Peace in colleges and universities, starting back in the early days of your organization. However, as you know time

[3] Consult Charles E. Merriam, The Making of Citizens (Chicago, 1931), pp. 310–318, 348, 356.

did not permit me to read all the material you made available to me, and there are gaps in my notes on this item. Would you, therefore, have someone on your staff answer the following questions:

1. Were these clubs an outgrowth of or connected in any way with the American Association for International Conciliation, the Institute of International Education, or any other organizations? (And if so, how did this come about?)

2. Were they a development from the "international mind" alcoves?

In the back of my mind there is a vague recollection that during a conversation with Dr. Avirett he mentioned that these clubs resulted in organization of the Foreign Policy Association or the Council on Foreign Relations. If I am correct, how did this develop and when?

3. How many such clubs were there in 1938 and how many are there today, if they still exist? If they no longer exist, is that due to positive dissolution as an activity of the endowment, or due merely to student and faculty disinterest or to some other factors?

4. I gather that each year books were sent by the endowment to each of these clubs. Were these volumes sent without charge, at cost, or at a discount?

5. Were all books selected for distribution in any 1 year sent to all the clubs? If not, what secondary method of selection was employed, such as the size of the college or university, or the club membership?

6. How did these clubs come into being at the college or university—in other words, did the endowment either by suggestion to the faculty or one of its members, or through other methods foster the formation of such clubs?

7. Were lists of books available periodically sent to the colleges and universities, from which the club or faculty adviser made a selection? Or were books automatically distributed at intervals throughout the year to all institutions?

I hope this will not place an undue burden on your staff—but since I cannot foresee a time when a visit to your office might be possible I shall appreciate very much your sending the information as soon as it is convenient.

With kindest regards, I am,

Sincerely yours,

KATHRYN CASEY,
Legal Analyst.

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE,
OFFICE OF THE PRESIDENT,
NEW YORK, N. Y., *April 29, 1954.*

Miss KATHRYN CASEY,
131 Indiana Avenue NW, Washington, D. C.

DEAR MISS CASEY: I, too, regret that you, yourself, could not come to see us again. In any event, here is the information on the International Relations Clubs which you requested in your letter of April 22. For your convenience, the numbers correspond to those of the questions asked in the letter.

1. The first student groups in colleges and universities for the serious study and objective discussion of international affairs—known as international polity clubs—were organized in the autumn of 1914 under the direction of the American Association for International Conciliation which, in turn derived financial support from the Carnegie Endowment. In the fall of 1920 when direction of the clubs was transferred to the Institute of International Education (organized largely under the leadership of Dr. Nicholas Murray Butler with substantial financial support from the endowment), the name of the clubs was the endowment in 1924, and the clubs were taken over by the endowment which changed to international relations clubs. The institute became independent of the endowment in 1924, and the clubs were taken over by the endowment which continued actively in charge of them until the spring of 1951. At this time the Association of International Relations Clubs, established in 1948, assumed supervision of the club program under a grant-in-aid from the endowment. Although no longer actively directing the club work, the endowment maintained a relationship with it through having a representative on the association's executive board.

2. The clubs were in no way a "development" from the international mind alcoves, which were an entirely separate phase of the endowment's program.

At no time in the past have the clubs had any organizational connection with the Foreign Policy Association, the Council on Foreign Relations, or any other organization except those indicated under "1."

3. In 1938 there were 1,103 clubs as follows: 265 in high schools in the United States; 685 in colleges and universities in continental United States; 7 in the Philippines; 1 each in Hawaii, Alaska, Canal Zone, and Puerto Rico; 24 in the United Kingdom; 34 in 14 Latin American countries; 22 in China; 9 in Japan; 2 in Korea; and the remaining 51 in foreign countries including Canada, Egypt, Greece, Iran, Iraq, Siam, New Zealand, Australia, South Africa, Syria, and India.

In January, 1948, the National Education Association in Washington assumed leadership for the high school clubs. Information regarding them since then may be obtained from the association.

In 1954 (April 26) there are 476 clubs in colleges and universities in continental United States; 1 in Hawaii, and 28 in foreign countries including Canada, the United Kingdom, Australia, New Zealand, South Africa, Egypt, India, Japan, Pakistan, Philippine Islands, and Thailand, making a total of 505.

4. The materials sent to the International Relations clubs in high schools, colleges, and universities were a gift from the endowment, with the understanding that they would be kept together as a special IRC collection, in the library or elsewhere, readily accessible to the club members.

5. All clubs—large or small, in universities and junior and 4-year colleges, in the United States and foreign countries—received the same books in English with the exception of some of the groups in Latin American countries which were sent Spanish translations of some of the English publications or original Spanish publications. Cooperation with the Latin American clubs was discontinued during the academic year 1947–48. Pamphlets and mimeographed materials, less specialized and better suited to the age level, were sent to the high school clubs.

6. Although the endowment never had a field worker as such to stimulate interest in the club movement, it maintained a competent "secretariat" in its offices which carried on correspondence with the clubs, offering encouragement to both club members and faculty advisers in carrying on the work, as well as advice when sought, and suggestions for vitalizing club programs. It cooperated closely with the host clubs in the 12—in 1948 increased to 14—regions throughout the country where annual conferences were held, by helping to set up the programs, furnishing speakers, and arranging for an endowment representative to be in attendance at each conference. In the early 1930's letters were sent at the beginning of the academic year to faculty members at a few selected institutions, informing them of the club work and its advantages. The clubs increased to such an extent in number, however, that this procedure soon became unnecessary. A great deal of the credit for this growth must be given to the continued interest of students and faculty members alike, who, upon transferring to a campus without a club, proceeded to organize a new one or reactivate a former one, and also to the establishment of clubs by students and/or faculty people who were told about the work by enthusiastic members or advisers of clubs on other campuses. On receiving an inquiry about the work, the endowment furnished materials descriptive of the club program and suggestions for organizing a club. The principal requirements for affiliation with the endowment were that the group would meet regularly with a faculty adviser for the study and discussion of world affairs from an unprejudiced and objective point of view and that the books should be kept together as a permanent collection. Upon notification that a club had completed its organization, it was placed upon the mailing list to receive all club materials.

7. Two installments of books were automatically distributed to the clubs each academic year. The books were initially selected by a member of the endowment staff and then submitted for approval to a committee of which Dr. Butler was chairman. In the first semester the books were sent to clubs which notified the endowment that they were functioning and ready to receive them, and in the second semester only to the clubs which had formally acknowledged receipt of the first, or fall, installment. The distribution of books was discontinued entirely in the spring of 1947.

In this connection, you will be interested to know that the Association of International Relations Clubs has just concluded its Seventh Annual Conference. At the final business session on April 23, the association voted to affiliate with the Foreign Policy Association, which is better equipped than the endowment to aid them in planning their programs for objective study of international problems. At the same time the association passed a resolution thanking the endowment for past services. It was with very real regret that the endowment came to the end of a long chapter, in which we like to think that a

contribution was made to the better understanding of the responsibilities which our country now bears as a world power.

Sincerely yours,

JOSEPH E. JOHNSON.

MEMORANDUM

JUNE 30, 1954.

Subject: Books distributed by Carnegie Endowment for International Peace.

Since it was impossible to check every volume distributed by the endowment through the international mind alcoves or through the international relations clubs and centers, a random sampling by year mentioned in the yearbooks was taken. When Dr. Kenneth Colegrove was in Washington, D. C., to attend the hearings before the committee, he was asked to look over the books distributed in the following years: 1918, 1926, 1928; 1931, 1932, 1933, 1938, 1939, 1941, 1943, 1944, 1947.

The authors and books for those years are given below. Those on which Dr. Colegrove commented are in italics.

1918 Yearbook, page 86 ("distributed principally to college libraries and International Polity Clubs"):

C. R. Ashbee: American League To Enforce Peace
E. W. Clement: Constitutional Imperialism in Japan
Cosmos: The Basis of Durable Peace
Robert Goldsmith: A League To Enforce Peace
J. A. Hobson: The New Protectionism
Roland Hugins: The Possible Peace
Harold J. Laski: Studies in the Problem of Sovereignty—"Opposed to the 'national interest'; inclines toward extreme left"
Ramsay Muir: Nationalism and Internationalism
Henry F. Munro, Ellery C. Stowell: International Cases
H. H. Powers: The Things Men Fight For
Bertrand Russell: Why Men Fight
Walter E. Weyl: American World Policies

1926 Yearbook, page 56 ("distributed principally to college libraries and International Polity Clubs"):

Carlton J. H. Hayes: A Political and Social History of Modern Europe (2 vols.)
Prof. Schille Viallate: Economic Imperialism
George Matthew Dutcher: The Political Awakening of the East
Raymond Leslie Buel: International Relations—"Globalist"

1931 Yearbook, page 67:

Butler, Nicholas Murray: The Path to Peace
Eberlein, Marks, and Wallis: Down the Tiber and Up to Rome
Ellis, M. H.: Express to Hindustan
Keenleyside, Hugh L.: Canada and the United States
Larson, Frans August: Larson, Duke of Mongolia
Olden, Rudolf: Stresemann
Patrick, Mary Mills: Under Five Sultans
Phillips, Henry A.: Meet the Germans
Read, Elizabeth F.: International Law and International Relations—"Rather leftist"
Redfield, Robert: Tepoztlan (Mexico)
de la Rue, Sidney: Land of the Pepper Bird (Liberia)
Russell, Phillips: Red Tiger (Mexico)
Ryhd, Hanna: Land of the Sun-God (Egypt)
Sassoon, Sir Philip: The Third Route
Sheng-Cheng: A Son of China
Street, C. J. C.: Thomas Masaryk of Czechoslovakia
Waldrom, Webb: Blue Glamor (the Mediterranean)

1932 Yearbook, pages 75, 80:
Akeley, Delia J.: Jungle Portraits
Buck, Pearl S.: The Good Earth—"Slightly leftist"
Chase, Stuart: Mexico—"Mildly left"
Colum, Padraic: Cross Roads in Ireland
Forbes, Rosita: Conflict
Hindus, Maurice: Humanity Uprooted—"Marxian slant"
Ilin, M.: New Russia's Primer
McBride, Robert M.: Romantic Czechoslovakia
McMullen, Laura W.: Building the World Society—"Globalist"
Morton, H. V.: In Search of Scotland
Ross, Sir. E. Denison: The Persians
Strong, Anna Louise: The Road to the Grey Pamir—"Well Known Communist"
Van Dyke, John C.: In Egypt
Wagner, Ellasue: Korea
Wortham, N. E.: Mustapha Kemal of Turkey
Andrews, Fanny Fern: The Holy Land Under Mandate
Arendtz, Herman F.: The Way Out of Depression
Bratt, K. A.: That Next War?
de Madariga, Salvadore: Disarmament—"Ultra globalist and aimed at submergence of 'national interest'"
Harper, Samuel G.: Making Bolsheviks
Hudson, Manley O.: The World Court
Ilin, U.: New Russia's Primer
League of Nations: Ten Years of World Cooperation
Lefebure, Victor: Scientific Disarmament
MacNair, Harley F.: China in Revolution
Mitchell, N. P.: Land Problems and Policies in the African Mandates of the British Commonwealth
Moulton, H. G.: Japan: An Economic and Financial Appraisal

1933 Yearbook, pages 77, 80:
Angell, Norman: The Unseen Assassins—"Globalist"
Casey, Robert J.: Baghdad and Points East
Cohen-Portheim, Paul: England, the Unknown Isle
Desmond, Alice Curtis: Far Horizons
Hedin, Sven: Across the Gobi Desert
Hudson, Manley O.: Progress in International Organization
Jones, Amy Heminway: An Amiable Adventure
Mackall, Lawton: Portugal for Two
Monson, Ronald A.: Across Africa on Foot
Morton, H. V.: In Search of Ireland, In Search of Wales
Patterson, Ernest Minor: America: World Leader or World Led?—"Globalist"
Phillips, Henry Albert: Meet the Japanese
Raiguel and Huff: This Is Russia
Thomas, Valentine: Young Europe
Tsurumi, Yusuke: The Mother
Angell, Sir Norman: The Unseen Assassins
Clark, Grover: Economic Rivalries in China
Cory, Ellen: Compulsory Arbitration
Escher, Franklin: Modern Foreign Exchange
Morley, Felix: The Society of Nations
Morse and MacNair: Far Eastern International Relations
Moulton and Pasvolsky: War Debts and World Prosperity
Salter, Sir Arthur: Recovery, the Second Effort—"Globalist"
Patterson, Ernest Minor: America—World Leader or World Led?
Ware, Edith E.: Business and Politics in the Far East—"Doubtful"

1938 Yearbook, page 55: "This material is directed in some instances only to the trustees of the endowment, in other cases to a wider though limited circle of those directly connected with the endowment and in still other cases to a comprehensive list of those interested in international questions * * * Among the books so distributed may be cited: * * *"
James T. Shotwell: On the Abyss—"Globalist"
William T. Stone and Clark M. Eichelberger: Peaceful Change—"Globalist and leftist. Regarding W. T. Stone, see the report of the McCarran subcommittee. Stone was closely associated with Edward Carter of I. P. R."

1938 Yearbook, page 62:
Dulles, Allen W., and Armstrong, Hamilton Fish: Can We be Neutral?
Dunn, Frederick Sherwood: Peaceful Change
Florinsky, Michael T.: Fascism and National Socialism
Horrabin, J. F.: An Atlas of the Empire
Lichtenberger, Henri: The Third Reich
Miller, Spencer, Jr.: What the I. L. O. Means to America
Peers, E. Allison: The Spanish Tragedy
Staley, Eugene: Raw Miterials in Peace and War
Salter, Sir Arthur: World Trade and Its Future—"Globalist"
Vinacke, Harold M.: A History of the Far East in Modern Times
Willert, Sir Arthur and others: The Empire in the World

1939 Yearbook, page 62:
Angell, Norman: The Defense of the Empire
Angell, Norman: Peace with the Dictators?—"Globalist"
Butler, Nicholas Murray: The Family of Nations
Davies, E. C.: A Wayfarer in Estonia, Latvia, and Lithuania
Fergusson, Erna: Venezuela
Fry, Varian: War in China
Hamilton, Alexander, and others: The Federalist
Jackson, Joseph Henry: Notes on a Drum
Lewis, Elizabeth Foreman: Portraits from a Chinese Scroll
Loewenstein, Prince Hubertus Zu: Conquest of the Past
Lyons, Eugene: Assignment in Utopia
MacManus, Seumas: The Rocky Road to Dublin
Miller, M. S. and J. L.: Cruising the Mediterranean
Parmer, Charles B.: West Indian Odyssey
Roberts, Stephen H.: The House That Hitler Built
Sterne, Emma Gelders: European Summer
Streit, Clarence K.: Union Now—"Globalist and submersion of national interest. Fallacious in his analogy of Union of American States in 1781 with world federation"
Strode, Hudson: South by Thunderbird

1941 Yearbook, page 54:
Benes, Eduard: Democracy Today and Tomorrow
Bisson, T. A.: American Policy in the Far East, 1931–19—"Pro-Communist"
Butler, Nicholas Murray: Why War?
Dulles, Allen W., and Armstrong, Hamilton Fish: Can America Stay Neutral?—"Ultraglobalists"
Florinsky, Michael T.: Toward an Understanding of the U. S. S. R.
Ford, Guy Stanton (editor): Dictatorship in the Modern World
Lippmann, Walter: Some Notes on War and Peace
Marriott, Sir John A. R.: Commonwealth or Anarchy?
Patterson, Ernest Minor: Economic Bases of Peace
Saerchinger, Cesar: The Way Out of War
Shotwell, James T.: What Germany Forgot
Viton, Albert: Great Britain, an Empire in Transition

1939 Yearbook, page 39: "Among leftist speakers sent to conferences by the Carnegie Endowment were Vera Micheles Dean and Dr. Eugene Staley. Mrs. Dean and Max Lerner also were included in the 1941 list."

1944 Yearbook, page 103:
Hunt, Dr. Erling (Teachers College): Citizens for a New World, yearbook of Commission for Orzanization of Peace—"Ultraglobalist"

1944 Yearbook, page 48:
Clark, Evans (editor): Wartime Facts and Postwar Problems: A Study and Discussion Manual
Committee on Africa: Africa
Duffett, W. E., Hicks, A. R. and Parkin, G. R.: India Today
Hambro, C. J.: How to Win the Peace

Hornbeck, Stanley K.: The United States and the Far East
Inman, Samuel Guy: Latin America: Its Place in World Life
Kohn, Hans: World Order in Historical Perspective
MacIver, R. M.: Toward an Abiding Peace—"Extremely globalist and careless of the American 'national interest'"
Mowat, R. B. and Slosson, Preston: History of the English-Speaking Peoples
Pares, Sir Bernard: Russia
Peffer, Nathaniel: A Basis for Peace in the Far East
Reves, Emery: A Democratic Manifesto
Stembridge, Jasper H., An Atlas of the U. S. S. R.
Thomas, Elbert D.: Thomas Jefferson: World Citizen
Welles, Sumner: The world of the Four Freedoms

1944 Yearbook, page 52:
Broderick, Alan H.: North Africa
Chiang Kai-shek, Generalissimo: All We Are and All We Have
Chiang Kai-shek, Madame: We Chinese Women
Follett, Helen: Islands on Guard
Gatti, Allen and Attilio: Here is Africa
Goodell, Jane: They Sent Me to Iceland
Hambro, C. J.: How to Win the Peace
Henley, Constance Jordan: Grandmother Drives South
Hutchison, Bruce: The Unkonwn Country
Lanks, Herbert C.: Pan American Highway through South America
Lattimore, Owen: America and Asia—"Subtle propaganda along Communist line. Lattimore cited in McCarran subcommittee report as part of Communist cell in the Institute of Pacific Relations"
Maisel, Albert Q.: Africa: Facts and Forecasts
Massock, Richard G.: Italy from Within
Pares, Sir Bernard: Russia
Peffer, Nathaniel: Basis for Peace in the Far East—"Leftist. See McCarran subcommittee report"
Representatives of the United Nations: The People's Peace
Welles, Sumner: The World of the Four Freedoms

1947 Yearbook, pages 48, 51:
The Soviet Union Today, An Outline Study: American Russian Institute—"Favorable to U. S. S. R."
The United Nations Economic and Social Council: Herman Finer.
America and the New World: The Merrick lectures, 1945.
Perpetual Peace: Immanuel Kant.
Political Handbook of the World, 1946: Walter H. Mallory, editor.
Germany Is Our Problem: Henry Morgenthau, Jr.
The Atomic Age Opens: Editors of pocket books.
America's Stake in Britain's Future: George Soule.
Peoples Speaking to Peoples: Llewellyn White and Robert D. Leigh.
The United Nations in the Making: Basic Documents: World Peace Foundation.
The Soviet Union Today: American Russian Institute
The Chrysanthemum and the Sword: Ruth Benedict.
The World Today: Nicholas Murray Butler.
Sun Yat-sen: Stephen Chen and Robert Payne.
Britain: Partner for Peace: Percy E. Corbett—"Extremely globalist"
The United Nations Economic and Social Council: Herman Finer.
Brazil: An Interpretation: Gilberto Freyre.
Greece: A. W. Gomme.
Our Son, Pablo: Alvin and Darley Gordon.
France, Short History: Albert Guerard.
Iran: William S. Haas.
And the Bravest of These: Katharine Roberts.
New Zealand: Philip L. Soljak.
Peace Atlas of Europe: Samuel van Valkenburg.
The Story of the Dutch East Indies: Bernard H. M. Vlekke.
The French Canadian Outlook: Mason Wade.

Originally it had been intended to have others in addition to Dr. Colegrove make notations on these and other books distributed by the Carnegie Endowment

for International Peace, either through the International Mind Alcoves, the international relations clubs and centers, or other means. However, up to this time, it has not been possible to proceed with this particular project.

KATHRYN CASEY,
Legal Analyst.

EXHIBIT—PART II. ROCKEFELLER

EXCERPTS FROM ANNUAL REPORTS OF THE ROCKEFELLER FOUNDATION AND MATERIAL TAKEN FROM OTHER SOURCES FROM 1929 TO 1952

(Source: The Rockefeller Foundation, 1932 annual report, pp. 274–275:)

ECONOMIC PLANNING AND CONTROL

"Events of the past 3 years have made strikingly evident the tremendous social losses occasioned by the ups and downs of modern business enterprise. Much physical suffering, illness, mental disorder, family disintegration, crime, and political and social instability trace their origin to economic causes. In a time of depression, when enterprise is halted and millions of the unemployed are unable to command the necessities of life, the question is insistently heard, Why does this distressing situation arise in a country where raw materials exist in plenty, where technological equipment is of the best, and where workers are eager to apply their productive capacities? The opportunity and need for scientific attack on the problem of economic maladjustment are unmistable. The foundation views this field as highly important and well adapted to research.

"For several years various studies and organizations concerned with economic stabilization have been supported. It is believed that a more complete knowledge of the working of our present economic system—e. g., of conditions as revealed by realistic, statistical studies of unemployment; the characteristics, methods, and hazards of specified industrial enterprises; the complex forces operating in a competitive society in a number of specific situations—must supply the necessary basis for planning an effective economic organization."

(Source: The Rockefeller Foundation, 1936 annual report, pp. 55–56:)

"* * * As one reviews the history of the men and women who, over the last 20 years, have received fellowships from the foundation, the record appears most gratifying. Today, they are occupying positions of importance and distinction in nearly every country of the world. They are on university faculties; they are connected with research laboratories; they hold strategic governmental positions; they are carrying on significant and productive work in wide fields of knowledge. Some of them, indeed, have gained outstanding recognition, such as the award of the Nobel prize. It would be idle to assume, of course, that their leadership and their contribution to scientific thought are the results solely of their fellowship experience. Doubtless, many of them would have gained eminence without this experience, or would have obtained the experience in other ways. But it is a satisfaction to record the subsequent success of highly promising men and women, picked largely from the younger generation, to whom the foundation is proud to have been of some assistance."

(Source: The Rockefeller Foundation, 1937 annual report, pp. 57–58:)

THE DEBACLE IN CHINA

"Last year, in the Review, the following sentence appeared: 'China today stands on the threshold of a renaissance. The Chinese National Government, together with many provincial and county authorities and private organizations, are attempting to make over a medieval society in terms of modern knowledge.'

"This proud ambition, in which the foundation was participating, has been virtually destroyed by the events of the last 6 months. The program was primarily a program of rural reconstruction and public health. It was rooted in promising Chinese institutions like Nankai University in Tientsin, and the National Central University and the National Agricultural Research Bureau, both in Nanking. It was promoting studies in subjects like animal husbandry and agriculture; it was carrying on broadly based field experimentations; and it was training men and women for administrative posts in rural and public health work.

"Nankai University was completely destroyed last July. The universities and institutions in Nanking, where they are not too badly damaged, are serving today as army barracks. The field units in mass education and public health are so completely scattered that it is practically impossible to locate them. The work, the devotion, the resources, the strategic plans of Chinese leaders for a better China, have disappeared in an almost unprecedented cataclysm of violence.

"At the moment there is nothing further to report. The foundation still maintains its office in Shanghai. Whether there will be an opportunity to pick up the pieces of this broken program at some later date, no one can foretell."

(Source: The Rockefeller Foundation, 1940 annual report, pp. 273–277:)

NATIONAL INSTITUTE OF PUBLIC AFFAIRS

"The foundation continued its support of the national institute's experimental program of recruiting and training personnel for the Federal services by a grant of $105,000 for the 3-year period from October 1, 1941. For the past 5 years, the program has involved the annual placement of approximately 50 graduate students preparing for public service careers, in agencies of the Federal Government for a year of practical apprenticeship. The institute also serves as a clearinghouse of information and as a liaison agency in matters relating to this recruitment and training program. Sixty percent of its "internes" are now in the Federal service; several are in State and local or other government services, and a number are continuing graduate study.

"The institute hopes to continue its program directed toward developing a more effective means of recruitment of persons for Government service, especially for its influence in improving the relations between the Federal authorities and the educational institutions of the country."

(Source: The Rockefeller Foundation, 1941 annual report.)
Pages 230–231:

INSTITUTIONAL GRANTS

"Council on Foreign Relations

"Each study group consists of specialists in designated areas in the various problems to be dealt with. The program permits the continuous examination of events related to problems of special interests of this country, and the assembly and interpretation of research material. Each group works under the leadership of a rapporteur. A steering committee composed of the rapporteurs and the leading officers of the council is responsible for the general planning, the coordination of the activities of the groups, and the interchange of material and points of view.

"More than 250 memoranda on special subjects had been prepared before the end of 1941. These had been furnished to the Government services charged with handling the various questions discussed. Many representatives of these services had also participated in the discussion of the study groups."

"Foreign Policy Association

"The former project is concerned primarily with the organization of educational work in relation to world problems, collaboration with colleges, schools, forums, women's clubs, youth groups, labor programs, agricultural clubs, etc. Its purpose is the preparation and distribution of educational material in the field of international affairs and the encouragement of discussion of such material. A special series of 'Headline Books,' published since 1935, is one aspect of the publication program. At least 15 titles have been added to the list over the past 3 years. Study materials which supplement these books are used by various groups throughout the country. Several of the 'Headline Books' have been translated into Spanish and distrbuted in South America.

"It is hoped to establish effective bases of cooperation with leading national organizations serving the cause of public education in the United States, and with Government agencies actively concerned with increasing general knowledge and understanding of problems of American foreign policy.

"In view of the current world situation, the Foreign Policy Association will concentrate its research during the coming year in three main fields: (1) Developments in the occupied countries of Europe; (2) political and economic trends in Latin America; and (3) problems of postwar reconstruction.

"In addition to its research activities, the association furnishes speakers to educational public policy organizations, arranges luncheon discussions, and conducts a series of broadcasts now distributed through 70 stations. Its Washington bureau collects firsthand information on current issues of American foreign policy. The association also maintain a Latin American Information Service, which published until the end of 1941 its biweekly Pan American News, furnishing background material on political and economic trends in Latin American countries."

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Pages 233–234:

INSTITUTE OF INTERNATIONAL STUDIES

"*Yale University*

"The institute, founded in 1935, had the following objectives: To promote basic research in international relations with particular attention to studies designed to clarify American foreign policy; to develop a broad and well-rounded program of education and training in international relations on both the undergraduate and graduate level; to evolve procedures of coordination and integration among the various social sciences in the analysis of international problems; and to aid in the postdoctoral training of younger scholars in the general field of international relations.

"The research program of the institute included many projects centering around problems of American foreign policy, but designed also to interpret the role of power in international affairs, and the relation of national policies to military policies and principles of grand strategy.

"Four major studies have been published and several others are nearing completion. Certain of the projects are being carried on in conjunction with Government departments. Among the specific subjects proposed for study are: Problems of national defense; United States and the future order of Europe; hemispheric unity; the geographic basis of foreign policy; and inter-American trade relations.

"The program of education has been closely coordinated with the research program. The projected program for the next few years will not represent any substantial change in policy. A combined social science approach will stress analytical rather than historical methods."

(Source: The Rockefeller Foundation, annual report for 1942.)

Pages 179–180:

THE SOCIAL SCIENCES

"*Social Science Research Council*

"Washington personnel office. Even before the United States entered the war, a vital need was felt in Washington for an agency to promote more effective utilization of social scientists. In the stress of the prewar emergency the National Government had recruited many thousands of persons trained in the social sciences; later, of course, the demand greatly increased.

"It was foreseen that unless the recruitment policies were integrated and wisely administered severe shortages would result and skilled talent would be squandered.

"After a careful study of the problem the Social Science Research Council set up an office in Washington to work in cooperation with Government agencies on three tasks: (1) Consulting with Government agencies on policies and methods of recruitment; (2) advising with individuals who wished to contribute their talents where they could be utilized most effectively; and (3) consulting with university officals regarding the temporary release of members of their faculties.

"The Council already had joined with other national scientific councils in promoting the roster of scientific and specialized personnel, but responsible officials felt that this was not enough. Now, the office which has been set up in Washington provides a place to which persons may turn for extragovernmental advice concerning social science problems. Similar services had earlier been provided for engineers and specialists in the various field of medical and natural sciences."

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Pages 181–182:

"Public Administration Committee

"The agencies through which society will seek to meet its diverse problems are multiform, and total effort, whether for defense or for the postwar world, will receive its primary direction through the agency of Government. For the past 7 years the foundation has supported the activities of the public administration committee, whose original objectives were to capture and record and lay the basis for the appraisal of measures initiated in the United States for grappling with the consequences of the worldwide social and technological changes that were taking place. The end objective was, if possible, to add to the store of principles of administration so that administrators who must make decisions might profit by recent and current experience.

"The committee formulated a series of major studies of two general types: (1) Administrative problems of new and emerging governmental activities; and (2) appraisal and review of significant developments in administration of the last 3 decades.

"More recently the committee has focused its resources and attention mainly on planning and stimulating rather than on executing research. A broadening of the program to include the field of government, with public administration as one sector is now contemplated. Such a program would deal less with the mechanics of administration than with the development of sound bases of policy determination and more effective relationships in the expanding governmental structure."

(Source: The Rockefeller Foundation, 1943 annual report, pp. 178–179:)

INTERNATIONAL STUDIES

"Council on Foreign Relations

"The war and peace studies project of the council was organized shortly after the outbreak of hostilities in 1939 for the purpose of furnishing such scholarly contributions to the work of the Government as an unofficial agency can make in wartime. Studies have centered around five main fields: strategy and armaments, economics and finance, political questions, territorial questions, and the peace aims of European nations. Since the inception of the project 541 memoranda have been sent to Washington dealing with subjects selected by both the council and the Government. The research is carried on by the study group method and the membership of these groups includes persons especially qualified by training and experience, both in Government service and out, as well as members of the council's research staff. The foundation has appropriated $60,800 for the continuation of these studies in 1944. The interest which has been shown in these studies has led the council to arrange during the coming year for a wider distribution of various memoranda based on some of them, both inside the Government and to selected individuals in private organizations."

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Pages 186–187: "The grants in international relations were for the support of agencies devoted to studies, to teaching, to service to Government and to public and expert education. Collectively these grants assume that it is not possible to guarantee peace but that the way to work toward it is to strengthen 'the infinity of threads that bind peace together.' To that end the foundation made grants for the support of studies and related activities of the following institutions: Foreign Policy Association, Royal Institute of International Affairs (London), Swedish Institute of International Affairs (Stockholm), and the economic, financial, and transit department of the League of Nations. The importance to peace of our relations with, and an understanding of, Russia was reflected in two grants to Columbia University for the Russian institute of its School of International Affairs. The sum of $60,000 was appropriated to the Council on Foreign Relations for the continuation of its war and peace studies. A special grant of $152,000 was made to the Royal Institute of International Affairs for a history of the war and the peace settlement. The Institute for Advanced Study at Princeton received $40,000 for a study of the problems of international civil aviation. Fifteen thousand dollars was granted to the Massachusetts Institute of Technology to aid in the development of a course in international relations for engineers."

(Source: The Rockefeller Foundation, 1945 annual report, pp. 188–189:)

INTERNATIONAL STUDIES

"Columbia University School of International Affairs, Russian institute

"Increased efficiency and rapidity of transportation and communication have ended for this country the possibility of isolation, either as a physical fact or as a national policy. Those responsible for the management of the interests of the United States, whether in governmental of nongovernmental capacities, will of necessity be increasingly concerned with the institutions, mores and policies of other nations and peoples. There must therefore be developed with the United States a body of men and women with a broad understanding of international affairs who have in addition training as functional or regional specialists. Only a body of men and women so trained will provide a reservoir from which experts capable of handling the increasingly complex and intricate problems of international affairs can be drawn.

"For some time Columbia University has been exploring the desirability of establishing at the university a school of international affairs. The recommendation that such a school be created was made in 1945 and included the proposal for establishment of six institutes designed to develop special knowledge and understanding of certain of the so-called power and problem areas of the world. It is planned to assemble in these institutes groups of outstanding scholars who have specialized in specific geographical areas. The university suggests that a British Commonwealth institute, a French institute, a German institute, a Russian institute, an East Asian institute, and an institute of Latin American affairs be created. The Rockefeller Foundation has made a 5-year grant of $250,000 to Columbia University toward the development of a Russian institute."

(Source: The Rockefeller Foundation, 1945 annual report, p. 199:)

UNITED NATIONS INFORMATION OFFICE, NEW YORK

"One of the elements vital to the future success of world cooperation is the immediate accessibility of the huge documentation of the United Nations conference in San Francisco, which, by an almost unprecedented action of the conference, was made available for prompt public examination and study. With respect to many crucial issues the really significant material is not the formal language of the articles of the Charter, but the interpretation contained in the reports and discussions of the various committees. The conference, however, had no means of publishing this material. The secretariat which staffed the conference ceased to exist at the closing of the conference. The new secretariat is dealing with the future rather than with the past. The United Nations Information Office, therefore, with the consent of the authorities of the conference, is publishing the official document of the conference in cooperation with the Library of Congress."

(Source: The Rockefeller Foundation, 1946 annual report:)

Pages 8–9: "The challenge of the future is to make this world one world—a world truly free to engage in common and constructive intellectual efforts that will serve the welfare of mankind everywhere."

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Pages 32–33: *"International relations*:

"The grants in this field went to agencies which conduct research and education designed to strengthen the foundations for a more enlightened public opinion and more consistent public policies. * * *"

"* * * This parallels the grant of $152,000 made in 1945 to the Royal Institute to enable Arnold Toynbee to write a history of international relations from 1939 to 1949. An appropriation of $300,000 was made to the food research institute of Stanford University for the preparation, in collaboration with experts from many countries, of a history and appraisal of the world's experience in handling food and agriculture during World War II. Another grant was for the purpose of assisting the United Nations information office to reproduce the documentation of the first General Assembly and Preparatory Commission of the United Nations. The Brookings Institution was given a fund which will enable Dr. Leo Pasvolsky, who was special assistant to the Secretary of State for International Organization and Security Affairs, to analyze the background of the development of the

United Nations organization and to initiate studies and educational conferences on the problems that are emerging in the functioning of our new international machinery. * * *"

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Page 40: "In this connection, mention might be made of the appropriations, voted in 1946, through the foundation's division of the social sciences, of $233,000 to the Institute of Pacific Relations, $60,000 of which went to the American Council and $173,000 to the Pacific Council. Much of the work of this organization is related to the training of personnel, the stimulation of language study and the conduct of research on problems of the Far East. It is part of the pattern by which, from many different directions and points of view, efforts are being made to bring the West and the East into closer understanding."

Pages 182–183:

INTERNATIONAL STUDIES

"The Brookings Institution

"The developing foreign policies of the United States as one of the major powers sharing world leadership are to be appraised under the new international-relations program of the Brookings Institution. Each of the studies is an integral part of a research plan geared to those international-relations problems with which the United States either is, or will be, concerned. This problem approach is intended to aid in formulating enlightened public opinion in training specialists in international affairs, and in aiding governmental agencies dealing with foreign relations. An annual seminar will endeavor to train specialists and aid teachers of international relations. A 1-year grant of $75,000 was made by the foundation in support of this program.

"Two annual surveys will be published. One of these will examine American foreign policies, but with particular attention to the problems directly ahead and to the factors likely to determine their solution. The second survey will consider the foreign policies of other nations, especially the major powers, and how these are being harmonized through the United Nations and its related agencies.

"Five major studies are in progress: The United Nations Charter and its effect on the powers, duties, and functions of the U. N.; the foreign policy objectives of the five major powers; the general effectiveness of international organizations and conferences as methods of diplomacy; present-day factors making for economic war or for economic peace in international relations; and changes in international security concepts resulting from technological and strategic developments.

"Dr. Leo Pasvolsky, who has been in Government service since 1934, has now returned to the Brookings Institution as director of these studies."

Pages 190–191:

"Institute of Pacific Relations

"The Institute of Pacific Relations, an unofficial international organization with a number of constituent national bodies or councils, aims to increase knowledge of economic, social, cultural, and political problems of the Pacific area. Training personnel, stimulating language teaching as well as curriculum attention to the Far East in general, and publishing research studies, are the institute's chief means of spreading knowledge. The distribution of educational materials to secondary schools and to the Armed Forces increased significantly during the past several years."

Pages 192–193:

United Nations Information Office, New York

"The importance of preventing possible serious misinterpretations of actions of international bodies due to unavailability of actual documents on transactions was recognized when the foundation early in 1946 appropriated $16,177 to the United Nations Information Office, New York, toward the cost of reproducing the documentation of the Preparatory Commission in London and of the sessions of the First General Assembly of the United Nations Organization. Preparatory Commission documents were microfilmed in London and the film flown daily from the Interim Organization to the United Nations office in New York and reproduced here by photo-offset within 24 hours of their arrival. Fifty or sixty copies were sent to the Department of State and to key libraries throughout the country.

One thousand other copies were distributed to interested libraries, institutions, and societies, and an additional number provided for editorial writers, news commentators, and others. This appropriation was an emergency measure to permit the reproduction of these documents and their distribution as promptly as possible."

(Source: The Rockefeller Foundation, 1947 annual report, pp. 39–41, 43–44:)

APPROACHES TO PEACE

"Work which looks toward more adequate analysis and understanding of the issues in international relations continued to hold an important place in the grants made by the Rockefeller Foundation in 1947 in the field of the social sciences."

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"Meanwhile we cannot neglect the direct approach to the overwhelming crisis of our generation, and for its part the foundation has contributed substantial sums over the last decade to organizations and projects that are concerned with the issues of international relations. This policy was, of course, continued in 1947. For example, the sum of $225,000 was given to Brookings Institution in support of its broad program of research and education in the field of foreign policy. This program, under the leadership of Dr. Leo Pasvolsky, involves, among other objectives, five basic studies:

"(1) Origin and Interpretation of the United Nations Charter.

"(2) Foreign Policy Objectives of the Major Powers.

"(3) Influences Making for Economic War or Economic Peace in International Relations.

"(4) New Concepts of International Security.

"(5) International Organizations and Conferences as New Methods of Diplomacy.

"In addition, Brookings Institution, as part of its program in the training of specialists, has planned an annual 2-week seminar for about 100 teachers of international relations.

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"Still another appropriation—in the amount of $75,000—was given for the creation of senior fellowships at the Russian institute of the School of International Affairs at Columbia University. The Russian institute, toward whose creation in 1945 the foundation contributed $250,000, is without doubt the leading graduate school in the United States in the field of Russian studies. In addition to the Russian language, its basic curriculum provides: (1) A broad background and training in 5 disciplines (history, economy, law and government, international relations, and the social and ideological aspects of literature) as applied to Russia; (2) an intensive research training in one of these 5 disciplines elected by the student; and (3) fundamental graduate training in the broader aspects of this elected discipline.

"The senior fellowships will make it possible to bring to the institute for advanced training some of those persons who are now conducting instruction in Russian subjects in other universities, thus enabling them to broaden their equipment and develop their effectiveness in Russian research.

"Other grants by the foundation in 1947 in this general field of international relations include the following:

"(1) The Royal Institute of International Affairs ($50,625)—a supplement to an earlier grant toward Prof. Arnold J. Toynbee's study of the history of the war and of the peace settlement.

"(2) Commission of the Churches on International Affairs ($15,000)—for preparations for conferences on the role of churches in international relations.

"(3) Johns Hopkins University ($37,400)—for a study of the trends and forces which affect the United States in its international relations.

"(4) Netherlands Institute of International Affairs ($25,000)—for a broadly based European conference on the economic and cultural aspects of the German problem.

"(5) Council on Foreign Relations ($60,000)—for general support.

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THE HUMANITIES IN SPACE

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"The range and variety of grants of this type made during 1947 may be briefly indicated. The American Council of Learned Societies received $12,000 for the work of its committee on Near Eastern studies, $25,000 for the translation into English of important Russian works, and $100,000 to augment the supply of materials needed for teaching and research on Slavic studies; the University of Pennsylvania, $60,000 for the development of studies of modern India; the University of Washington, $150,000 for studies of the Far East; Yale University, $25,000 toward the support of a group of advanced students of the Far East; the University of California, $30,000 to develop intensive instruction in Slavic and Far Eastern languages, and $100,000 for the development of junior personnel in Slavic studies; Columbia University, $25,000, likewise for Slavic studies; Indiana University, $27,500 for the development of studies of Eastern Europe, principally Finland and Hungary."

Pages 189–190:

THE FUNCTIONING OF AMERICAN POLITICAL DEMOCRACY

"*Pacific Coast Board of Inter-Governmental Relations*

"The foundation gave its support in 1947 to a pioneering educational experiment in integrovernmental relationships at the working level. On the Pacific coast the Governors of Washington, Oregon, and California, the chairman of the 3 State Leagues of Cities and State Associations of County Commissioners, and the coast regional chiefs of 11 Federal agencies, have created a Board of Intergovernmental Relations. The board aims to improve and coordinate government through meetings for the discussion of common problems, and acts as a nonprofit association solely to inform its individual members, and through them the public, of general and current problems. It takes no action, directly or indirectly, which might be construed as carrying on propaganda, or otherwise attempting to influence legislation.

"Thus far every meeting has had virtually full attendance, from the three Governors down. Typical subjects discussed to date include Federal-State-local tax and fiscal relationships; division of welfare costs; forest development, conservation, and protection; educational programs for veterans and nonveterans; problems of minorities in metropolitan centers; employment and unemployment; public-works planning and timing; adequate housing programs; industrial reconversion; availability of materials; and surplus property disposal."

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Pages 190–191:

"*National Institute of Public Affairs*

"The National Institute of Public Affairs recruits from the immediate graduates of the colleges and universities in the country talent for administrative and management posts in the Government of the United States and other jurisdictions. Sponsored by a board of public-minded citizens and acting as a liaison unit between the colleges and universities and the Federal departments, it has completed the 12th year of its unique public service training program, under which 30 to 50 college graduates each year have been selected and given rotating assignments on a nonsalaried basis within Federal agencies. The institute provides intensive orientation, supervision, and a carefully planned program of reading, studies, and conferences with public officials.

"The foundation has supported this program since 1935. Maintenance for about half the interns is financed by funds or followships raised by various colleges or their alumni. Encouraging is the competition and career interest which the program stimulates on college campuses throughout the country; also the rapidity with which graduates of the institute have risen to positions of responsibility in public life.

"A natural complementary development, guided by the institute in its first stages is a parallel inservice training program, for selected personnel of some 15 Federal departments or agencies, which is now in its seventh 6-month session under a coordinator furnished by the Civil Service Commission. The departments of State, War, Navy, Commerce, and Agriculture, are supplementing this with coordinated programs of their own."

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INTERNATIONAL RELATIONS

Page 204–205: "There is an urgent and ever-increasing need in this country for basic information on the economic and political structure of the world and on the trends and forces which prevail and collide in various parts of the world and which affect the United States in its international relations. It is not enough to point out these trends and forces; it is essential to measure and weigh them.

"At Johns Hopkins University, Dr. W. S. Woytinsky has undertaken a piece of work which should help to answer this demand by giving an inclusive statistical picture of the different patterns of life of all nations of the globe and of the conditions in which they are facing the future. It will provide at least a partial background for discussion of such problems as the future of various races and continents; the fate of colonial empires; relations between industrial and agricultural nations; growth or decline of foreign trade; competition of raw materials, sources of energy, and means of transportation within the world economy; and conditions of world prosperity and peace. The work goes beyond the simple source book of statistics of international interest, in that these statistics are selected and organized with reference to specific problems of international importance. The resulting volume, America in the Changing World, should be valuable in promoting a better understanding of statistics, not as a mathematical discipline but as quantitative thinking on human affairs. The Rockefeller Foundation is supporting this project with a 3-year appropriation of $37,400."

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"*Council on Foreign Relations*

Page 205:

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"The role of conflicting ideologies in foreign affairs is under discussion in a study group which the council has recently initiated on public opinion and foreign policy. The central problem of the group concerns the proper function of propaganda in the conduct of foreign affairs. Progress has been made on another study, the problem of Germany, which is financed by a special grant from the Rockefeller Foundation. The Netherlands Institute of International Affairs invited the Council on Foreign Relations to participate in this study, which is being undertaken on an international basis."

(Source: The Rockefeller Foundation, 1948 annual report:)

FOUNDATION POLICIES

Pages 8–9:

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"In general the policy of the foundation and, with occasional exceptions, its practice have conformed to the following principles: (1) The support of the foundation should be directed to purposes for which it is otherwise difficult to secure funds; (2) the support should be of an initial or catalytic character, with the idea that what has been demonstrated to be useful should then be carried on by other means; (3) current and palliative types of philanthropy should accordingly be left to others, not because they are unimportant, but because the needs they encompass are more generally recognized. Furthermore, the resources of this foundation, and indeed of all similar foundations combined, are insignificant in relation to such needs."

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Page 243:

"*Columbia University Far Eastern Studies*

"Without question east Asia will remain for a long time to come one of the great problem areas of the world. The United States has need of specialists who possess at once high technical competence in the social sciences and a knowledge of the languages and cultures of the area. Looking toward the establishment of a research institute in the east Asian field, the school of international affairs at Columbia University has started a program of Far Eastern studies through the various social-science departments. Owing to recent expansion in the fields of Chinese and Japanees languages, literature, and history, Columbia has a firm foundation for these studies. The aim at present

is to promote a similar expansion in the social sciences, in order to provide advanced training in economics, political science, and social analysis as related to China and Japan. * * *"

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Pages 247–248:

"United Nations Economic Commission for Europe—Training Scholarships

"The United Nations Economic Commission for Europe has received a grant of $12,000 from the Rockefeller Foundation to provide social-science scholarships for selected European students.

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"An operational body which deals with virtually all aspects of European recovery and development, the Commission has attracted to its staff an international group of competent economists. These men can offer promising graduate students an introduction to the international approach to economic problems while they are acquiring first-hand knowledge of applied economics. The Research and Planning Division, headed by Mr. Nicholas Kalder, formerly of the London School of Economics, carries on work which is closely linked with the technical economic problems encountered in the operational activities of the Commission. Dr. Gunnar Myrdal, of Sweden, Executive Secretary of the Commission, has established a special committee to administer the program."

(Source: The Rockefeller Foundation, 1949 annual report:)

PRESIDENT'S REVIEW

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Page 5–7: "The deeply disturbed political situation now prevailing in a large part of the world has had the effect of considerably curtailing the worldwide and international scope of foundation programs. Profound political changes have prevented the foundation from operating in several countries in which it was formerly active. These countries include Poland, Czechoslovakia, Hungary, and China. During the past year the far-eastern office of the international health division of the Rockefeller Foundation was moved from Shanghai to Macao and then to Bangalore, India. All personnel were withdrawn from China, and a malaria project under way in the island of Formosa was transferred to Government auspices.

"Monetarily speaking, this is an age of huge financial operations. In the United States large funds, chiefly governmental, are available even in the relatively restricted field of research and fellowships. This has brought about a sharp awareness of the discrepancy between the resources of any privately endowed philanthropic organization, such as the Rockefeller Foundation, and the magnitude of funds needed today for large-scale research or educational enterprises.

"Until recently the Rockefeller Foundation was a principal source of funds for foreign student fellowships at the advanced level. Today, as shown by the United Nations educational, scientific, and cultural organization handbook of available fellowships, Study Abroad, appointments made annually by the foundation constitute hardly 2 percent of the 15,070 comparable awards now offered, 62.5 percent of them by Government agencies. It has been calculated that in 1913, when there were about 900 institutions of higher education in the United States, the appropriations of the General Education Board and of the Carnegie Corp., the 2 principal foundations at that time, represented more than 15 percent of the current income of all higher educational institutions. In other words, these philanthropic resources were fairly large in relation to the activities with which they were concerned, and they were not unsubstantial even with reference to public primary and secondary education.

"As things stand now, the income of the Rockefeller Foundation, the General Education Board, and the Carnegie Corp. covers less than 1 percent of the budgetary needs of the 1,800 institutions now ministering to higher education. Indeed, the annual expenditures of all foundations, even though roughly $100 million, are insignificant in relation to public and private funds now needed and now available for education, scientific research, and scholarly activities.

"In the light of these changed conditions I propose to devote part of this review to a brief discussion of Rockefeller Foundation techniques in giving and in cooperating with other agencies and other countries. It is hoped that some light may be shed on the comparatively modest, yet significant, role that can

still be played under present world conditions by a privately endowed philanthropic organization."

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Pages 253–254:

INTERNATIONAL RELATIONS

"Council on Foreign Relations:

"The Rockefeller Foundation in 1949 appropriated $50,000 to the Council on Foreign Relations, New York, for an organized study of problems of aid to Europe in its broadest aspects. The European recovery program of the United States has a significance for our future prosperity and security so great as to challenge the best efforts of private citizens as well as those in public office. The Economic Cooperation Administration (ECA) believed that it would be of great value to the Government and to the public at large to have an appraisal of the European situation by a group of competent private persons free from the pressure of day-to-day decisions and unhampered by governmental procedures or the considerations of practical politics.

"Upon the invitation of the ECA, the council organized a group of leaders in the fields of economics, politics, and military strategy under the chairmanship of Gen. Dwight D. Eisenhower. At its monthly meetings this group has carefully examined the aims of American foreign policy with respect to Western Europe and has assessed the means—economic, political, and military—for achieving those aims. Special attention has been given to the continuing interests of this country, as opposed to urgent expediencies of today and tomorrow, and to the relation between current measures of policy and the attainment of long-term goals. Close liaison has been maintained with ECA and with other Federal agencies and departments, but the group has functioned independently of the Government.

"Conclusions will be presented in the form of memoranda to responsible Government officials. Nonrestricted information is to be released to the general public by means of articles or pamphlets in order to help the public understand and judge the measures which it will be asked to endorse and carry out. In addition, it is hoped to issue a major publication or series of publications on the operations, effects, shortcomings, and interrelations of United States aid to Europe under ECA and under the provisions of military lend-lease.

"To assist the group the council has provided a full-time research staff of experts in the various fields of study, headed by Prof. Howard Ellis of the University of California. Under the guidance of the study commission the research staff gathers facts and data for the discussion meetings and prepares memoranda on assigned topics. The council also furnishes library and clerical assistance. The study group is serving on a voluntary basis. The Rockefeller Foundation's grant is to cover salaries and expenses of the research staff."

"Institute of Pacific Relations

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Page 256–257: "The eleventh conference will convene in 1950 in India and will discuss recent political and economic trends in the Far East and their consequences for the Western World. Preparation for the conference is a part of the research program of the Pacific council, which is responsible for writing up the data papers which give the members of the conference the background information they need for the discussions. Some of these papers, such as those on the Chinese Communist movement, nationalism and communism in Burma, postwar development of Indian capitalist enterprise, the development of political parties in Japan and the international effects of the withdrawal of western power from the Far East, are of wide interest. In order to enable the institute to strengthen its conference and educational activities at a critical time in Far Eastern relations, the foundation in 1949 made a supplementary grant of $25,000, available until the end of March 1950. Of this, approximately $14,000 is to augment the research function of the Pacific council and $11,000 toward the expenses of 1950 conference."

(Source: The Rockefeller Foundation, 1950 annual report:)

"Brookings Institution

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Page 208–209: "The 10 yearly issues contain research on the immediate issues to be faced by foreign policymakers. Additional publications put out under the new program include a series of individual analyses on long-range problems. Recent studies in this group have been on the International Trade Organization as an instrument of American economic foreign policy, the United States and peace settlements, and a history of the United Nations Charter. In order that the values of this problem approach may be extended to Government leaders, educators, and businessmen, the Brookings Institution now holds an annual 2-week seminar on Problems of United States Foreign Policy. Seminars have already been held at Dartmouth College, Stanford University, Lake Forest College, and the University of Denver, with over a hundred persons attending each one."

Pages 209–210:

"Foreign Policy Association

"The Foreign Policy Association was created in 1918 for the purpose of carrying on 'research and education activities to aid in the understanding and constructive development of American foreign policy.' As the role of the United States has expanded in the international sphere, the association has undertaken to explain this role and its implications to an ever-increasing number of Americans. Thirty-two branch organizations have been organized in large cities throughout the country. Through the activities of these branches there have been organized local and national conferences, and a widespread educational program with frequent use made of radio and television. The three publications of the Foreign Policy Association, available to the general public, schools, organizations, and Government agencies, are a weekly foreign policy bulletin, which covers current issues, the foreign policy reports, published twice monthly, which discuss at some length pressing international issues and the popular Headline Books, with details on problems of importance to Americans and to the world."

(Source: The Rockefeller Foundation, 1951 annual report:)

Pages 68, 69, 70:

THE INTERNATIONAL SCENE

"With the enigma of Russian intentions still the top problem in world politics, the Russian institute of Columbia University's School of International Affairs continues to be a key center for research and training in this field. Its 2-year course, requiring familiarity with the Russian language and providing intensive postgraduate instruction in the history, economics, law, politics, and culture of Russia, has in 5 years supplied the United States Army, the Department of State, and other Government services with more than 100 trained men. Staff members are frequently called on to lecture at the National War College, the Air War College, and outside universities. Earlier grants for the institute, which was established in 1946, totaled $362,000; and in 1950 the foundation appropriated an additional $420,000 toward support over a 5-year period.

"A postwar development of the Brookings Institution is its international studies group, organized in 1946 for research, education, and publication on questions of American foreign policy. Directed by Dr. Leo Pasvolsky and using a technique which is calls 'the problem method,' the group has held 10 seminars in various parts of the United States for university teachers, advanced students, Government administrators, and journalists. To date some 800 university professors have shared in foreign policy analysis through participation in these seminars. Research activities are reflected in a number of books, notably in the annual Major Problems of United States Foreign Policy, which has been adopted as a textbook at West Point, Annapolis, and various universities and colleges. A projected study which is now in the planning stage will analyze the basic framework of international relations, including the fundamental concepts and objectives of the major nations, patterns of economic behavior, political attitudes in international relations, the channels and instrumentalities of national action, and in general the whole pattern of internal and external factors which condition the international scene. Since the international studies group began 6 years ago, the foundation has appropriated $480,000 toward its program, including $180,000 in 1950."

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Pages 355–356:

"*United Nations Economic Commission for Europe*

Long-run tendencies in the European economy:

"In connection with its overall program on postwar recovery, the United Nations Economic Commission for Europe (ECE) in 1949 asked Prof. Ingvar Svennilson, the Swedish economist, to undertake a study of long-run trends in the European economy. Professor Svennilson and a staff of assistants at Geneva are now nearing the end of this work. It is essentially a survey of trends in the European economy for the years 1913–50, with emphasis on population, industrialization, manpower, and production, the influence of foreign trade on production and the important factors contributing to economic growth in Europe.

"The Rockefeller Foundation appropriated $50,000 to the Economic Commission for Europe when Professor Svennilson began this work in 1949; in 1951 the foundation made a 1-year grant of $23,725 for expenses in connection with the completion of the survey. The United Nations intends to publish the findings."

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Page 359:

"*Public Administration Clearing House*
Consultant for Japan.

"Throughout the period of allied occupation of Japan there has been an effort to shift the emphasis of the Japanese governmental organization from a highly centralized bureaucratic control system to a more widely diffused pattern, with large areas of self-determination in local matters delegated to prefectures, cities, towns, and villages.

"One group in Japan which is sponsoring the spread of this movement is the recently organized Japan Public Administration Clearing House. All three levels of local government are represented in this group, which is made up of delegates from the Tokyo Bureau of Municipal Research and the national associations of prefectural governors, prefectural assembly chairmen, municipal mayors, city assembly chairmen, town and village mayors, and town and village assembly chairmen.

"Assistance was offered to the new organization by the Public Administration Clearing House of Chicago. With a grant of $10,740 from the Rockefeller Foundation, the Chicago Public Administration Clearing House arranged to send a consultant to Japan and to make its official resources available to the group in Japan."

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(Source: The Story of the Rockefeller Foundation, by Raymond B. Fosdick:)

Pages 283–284:

"As we have already seen in earlier chapters, the example of Rose and Pearce in developing their programs on a worldwide basis was eagerly followed by the other divisions of the foundation as they began their activities after the reorganization of 1928. The details of many of these activities have already been considered; in all cases they were motivated by the single phrase in the charter: 'the well-being of mankind throughout the world'; and they were predicated on the conception that civilization and the intellectual life of men represent a cooperative achievement, and that the experience of the race can be pooled for the common good. It is an ironic circumstance that this objective should have had to run the gauntlet of two world wars with their hideous aftermaths, when behind closed frontiers, rigidly sealed off from contact with the ideas and opinions of other nations, vast populations have suffered from mental undernourishment and starvation. Intellectual malnutrition can be as stunting to human life and character as the absence of calories and vitamins. The influences that in normal times flow freely across boundary lines, the uninhibited stream of ideas coming from all corners of the world, are, in this modern society of ours, a corrective and stabilizing factor in the lives of men, bringing strength and fertility to soils that would otherwise become sterile and dry. 'Speech is civilization itself,' says Thomas Mann. 'The word, even the most contradictory word, preserve contact—it is silence that isolates.'"

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Page 297:

"A foundation with wide and intimate contacts can perform a useful function in serving as an unofficial clearinghouse for ideas and plans in many fields. Certainly this has been true of the Rockefeller Foundation. Its officers are in continual touch with promising developments and personnel around the world. The most effective projects it has supported have been developed in the field. These projects have come from close acquaintance with scientists and laboratories, from days and weeks spent on university campuses, from hard journeys on horseback and riverboat to discover the breeding places of disease or the prospects for a new type of corn. The officers thus develop a point of view that is both cumulative and comparative.

"Consequently, the foundation has become a center to which research students and universities turn for information; and much of the time of the officers is spent, not on questions of financial support, but in discussing with eager inquirers the developments in their fields in other institutions and in other countries. As the late President Keppel of the Carnegie Corp. said: 'Much of what one university learns about another is learned in foundation offices.' "

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TAX-EXEMPT FOUNDATIONS

HEARINGS

BEFORE THE

SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS AND COMPARABLE ORGANIZATIONS HOUSE OF REPRESENTATIVES

EIGHTY-THIRD CONGRESS

SECOND SESSION

ON

H. Res. 217

WASHINGTON, D. C.

PART II, Pages 945–1241

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SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS

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TAX-EXEMPT FOUNDATIONS

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 21, 1954.

Hon. B. CARROLL REECE,
House of Representatives, Washington, D. C.

DEAR CARROLL: I cannot be at the meeting on foundations tomorrow and in the meantime want you to know I think there should be an immediate cancellation of all public hearings.

Sincerely,

ANGIER L. GOODWIN,
Member of Congress.

STATEMENTS OF THE RECTOR OF THE CATHOLIC UNIVERSITY OF AMERICA, AND THE HERITAGE FOUNDATION, INC., IN REPLY TO CONGRESSMAN HAYS' REMARKS CONCERNING THE CATHOLIC UNIVERSITY AND SISTER MARY MARGARET PATRICIA MCCARRAN

THE CATHOLIC UNIVERSITY OF AMERICA,
OFFICE OF THE RECTOR,
Washington, D. C., September 2, 1954.

Hon. CARROLL REECE, *Member of Congress,*
Chairman, Special Committee To Investigate Tax-Exempt Foundations, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN REECE: It has come to my notice that at a hearing of your committee in early June the assertion was made that a doctoral degree was granted by the Catholic University of America as a result of pressure.

On behalf of the university, I wish to deny this allegation as completely false. Throughout the 65 years of our existence, our academic standards have been recognized as high and as honestly enforced. Neither in the instance referred to nor in any other instance has pressure or influence brought about the conferring of a degree by the Catholic University of America.

According to our regulations, a student is admitted to graduate work only after rigid and impartial scrutiny of his prerequisite undergraduate training. The courses for the major and the minors in the master of arts and doctor of philosophy programs entail constant checks and examinations and are designed to prepare the student for independent thinking and research. For the doctor of philosophy, he must also prove his ability to read French and German.

The doctor of philosophy requirements include the publication of a dissertation based upon the student's independent research. A small board of the faculty reads and judges the dissertation. While approval would not be given to views contrary to morals or Catholic faith, and while an effort is made on the part of the official reader to

protect the student from errors of fact and judgment, still, in these matters academic freedom is accorded a doctoral candidate and responsibility rests with him. Approval by the faculty of a dissertation means formal recognition that the student has demonstrated sufficient competency in research to justify consideration for the doctoral degree.

These regulations are carefully and honestly followed by our faculty without exception.

If the unwarranted assertion referred to above is included in the record of your hearings, may I ask that this letter be given equal prominence in your record.

With kind regards, I remain,

Sincerely yours,

BRYAN J. MCENTEGART,
Rector of the University,
Titular Bishop of Aradi.

THE HERITAGE FOUNDATION, INC.,
Chicago, Ill., August 4, 1954.

Hon. CARROLL REECE,
Chairman, Special Committee To Investigate Tax-Exempt Foundations, Washington, D. C.

DEAR CONGRESSMAN REECE: During the course of the public hearings on the investigation into the tax-exempt foundations, generally referred to as the Reece committee, the insinuation was made that the graduate school at the Catholic University could be pressured or influenced into granting a degree when it was not earned or deserved.

A reference to the transcript of public hearings of your committee will make the point very clear. The remarks made by Congressman Hays with reference to Sister Margaret Patricia McCarran's work—Fabianism in the Political Life of Britain, are so derogatory and so full of insinuations that this attack upon the integrity of the university and upon the character of a nun should not be allowed to stand unanswered in a congressional record.

As the publisher of the second edition of Sister Patricia's book, the first edition having been published by the Catholic University of America Press, I hereby challenge every statement and every insinuation about this book and about the nun that the Congressman from Ohio made in this connection.

As a doctor's dissertation Fabianism in the Political Life of Britain is pretty much a public document and it can and it will withstand any criticism that might be forthcoming. The Heritage Foundation as publisher and Catholic University of America, I am sure, would agree that criticism of a volume or of a study and certainly of a doctor's dissertation would be in keeping with the true spirit of academic freedom. However, we would not agree with the methods used by Congressman Hays of Ohio. A person is still free in this country to agree or disagree with a book, an article or a doctor's dissertation. However, the obvious smear technique used by the Congressman from Ohio to discredit the reputable work of a reputable teacher in an outstanding university must not go unchallenged.

There are a number of instances in which the Congressman from Ohio was wrong.

First: He insinuated that Sister Margaret Patricia McCarran took more than the necessary time to obtain her degree from the university. The most casual amount of inquiry at the university would reveal the fact that Sister Margaret Patricia completed her work for her doctor of philosophy in 4 years. This happens to be an unusually short period of time.

Nuns do their full teaching job during the year in their own communities and their own schools. Sister Margaret Patricia is a full-time teacher in the College of the Holy Names in Oakland, Calif. Nuns, therefore, have to complete their work in summer school, night school, and then by special leave of absence from their communities in order to fulfill all of the requirements for an advanced degree. Therefore, some nuns and other religious working for advanced degrees take 6, 7, or more years before they meet all of the residence requirements for a doctorate. On this score, then, the Congressman from Ohio was completely in error.

Second: The insinuation was made that the Catholic University of America might have been pressured or influenced in some way into granting the degree to Sister Margaret Patricia. It would be well to point out to the Congressman from Ohio that the highest academic standards in the United States of America are maintained at Catholic University. Besides its recognition as an outstanding American university it has also been designated a pontifical university.

There has never been a pressured or undeserved degree granted by the university in the past, and I am sure there will be none granted in the future. Even a casual reference to the high academic standards of Catholic University of America would have informed the Congressman from Ohio that his information on this score was also completely in error.

Third: The remarks in the record of the Congressman from Ohio constitute a stigma on the integrity of the faculty of Catholic University; on the honesty and character of its students who, for the most part, are devoted, self-sacrificing nuns, priests, and brothers of every religious order in the Catholic Church. The attack upon the character of Sister Margaret Patricia as a nun, devoted to a life of teaching, with a vow of poverty and complete worldly abandonment, is one of the most irresponsible, thoughtless, and uncharitable acts that has ever come to my attention.

I do not believe that in the records of the House of Representatives there could be found a more striking example of an irresponsible statement by a Member of that body.

Sister Margaret Patricia, Catholic University of America and Fabianism in the Political Life of Britain need no defense from me. However, as the publisher of the second edition of this volume I request that this reply to the unfounded and untrue charges and insinuations made by Congressman Hays be recorded and inserted in the official record immediately following the unjustified attack as it appears in the printed record.

Sincerely,

THE HERITAGE FOUNDATION, INC.,
ARTHUR L. CONRAD, *President.*

TAX-EXEMPT FOUNDATIONS

TUESDAY, AUGUST 10, 1954

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE TO
INVESTIGATE TAX-EXEMPT FOUNDATIONS,
Washington, D. C.

Pursuant to its resolution of July 2, the committee received the following statements, which were ordered incorporated in the record of proceedings:

STATE OF NEW YORK,
County of New York, ss:

Charles Dollard, being duly sworn, deposes and says as follows:

1. I am president of Carnegie Corporation of New York.

2. Attached hereto are two documents marked respectively "Exhibit A" and "Exhibit B," the former entitled "Introductory Statement to Special Committee to Investigate Tax-Exempt Foundations by Charles Dollard, President, Carnegie Corporation of New York," and the latter entitled "Answers to Specific Charges, a Memorandum Submitted for the Record by Charles Dollard, President, Carnegie Corporation of New York, to Special Committee to Investigate Tax-Exempt Foundations."

These documents were prepared for submission to the Select Committee to Investigate Tax-Exempt Foundations in connection with the testimony which I intended to give before that committee during the week of June 21, 1954, at the invitation of counsel for the committee.

3. Having been informed that no representative of Carnegie Corporation of New York will be heard by the committee, I submit these statements for the record and swear that they are true and correct to the best of my knowledge, information, and belief.

4. Also attached hereto is a photostatic copy of a letter dated June 9, 1954, addressed to me by Mr. Vannevar Bush, president of Carnegie Institution of Washington. This is the letter referred to on page 26 of exhibit A.

CHARLES DOLLARD.

Subscribed and sworn to before me this 7th day of July, 1954.

GORDON S. WALKER,
Notary Public, State of New York.

Commission expires March 30, 1956.

STATEMENT BY CHARLES DOLLARD, PRESIDENT, CARNEGIE CORPORATION OF NEW YORK

FOUNDATIONS IN AMERICAN LIFE

Philanthropy is an American habit, and the modern foundation is an American invention. Other countries have philanthropic foundations of various kinds, but it is in America that they have reached their most impressive development. Abraham Flexner, one of the most distinguished figures in the history of organized philanthropy, once wrote:

> * * * There is not a nation in Europe that does not envy us the public spirit which our wealthy men have shown in dedicating a large part of their wealth to public services, in the form of foundations. * * *[1]

The emergence of great foundations in America was no accident. Americans like to make money, and they enjoy spending the money they have made for the benefit of their fellows. It is quite true that in recent years the development of foundations has been facilitated by tax provisions; but it is a grave injustice to American philanthropists to say that they are moved chiefly by consideration of tax avoidance. Both the Rockefeller and Carnegie Foundations were set up at a time when there were no Federal income or estate taxes. Even today no one can doubt that the great bulk of American giving is in response to charitable impulses .

The function of the philanthropic foundations is to improve the tenor of human life in the area or areas in which they operate. They seek to make human beings healthier, happier, wiser, more conscious of the rich possibilities of human existence and more capable of realizing them. A foundation will, of course, fail of its purpose if it attempts to do everything at once—to be all things to all men. It must concentrate its grants in a limited number of fields, using its best judgment as to what expenditures will at any given time be of most value in forwarding its central purpose.

Free and untrammeled inquiry by freemen is of the very essence of a free society, its growth and development. Government has its necessary function in support of free schools and colleges and universities; but the success of government, whether Federal, State, or municipal, in the field of education, broadly defined, will be in proportion to the degree in which it does not dominate. The privately endowed institutions of learning—schools, universities, colleges, and foundations—help to set standards for education as a whole and engage in research, inventions, and discoveries in fields that may not yet interest government.

Private enterprise in education contributes to the diversity which is the life of our American system. Many different people and organizations are encouraged to work independently in recognizing and tackling new problems and in developing new ideas and processes. Their efforts will not be uniformly successful. But the net effect of their efforts will be good because of the very freedom that permits the best to demonstrate its superiority over the second best. Selection by competition is the cornerstone of American free enterprise.

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[1] Extract from letter dated December 15, 1952, from Abraham Flexner to Harold M. Keele, counsel for the Cox committee, reprinted on p. 763 of the hearings before the Cox committee.

A wise nation will never surrender to government the exclusive right to be concerned about the health, the education, and the prosperity of the people. The very essence of the American system is that government shall do everything possible to encourage private enterprise in all phases of our national life—economic, social, and cultural. Our Nation owes much of its vitality and momentum to the inbred reluctance of Americans to lean on their Government. Anything which might reduce this reluctance is in our opinion to be feared and avoided. Those who wish to have research, study, inquiry, and teaching put in the hands of government exclusively, or indirectly subject to government control, should look to Russia where this process has been perfected.

CARNEGIE CORPORATION OF NEW YORK

Now let me speak briefly about the Carnegie Corporation of New York, and the other funds established by Andrew Carnegie.

Carnegie Corporation of New York is an educational foundation, chartered by the State of New York in 1911.

During his lifetime, Andrew Carnegie made personal gifts for educational and cultural activities totaling approximately $107 million. In addition he provided endowment for six American philanthropic funds. The first five trusts which he established were chartered for work in specific fields:

Carnegie Institute of Pittsburgh, 1896
Carnegie Institution of Washington, 1902
Carnegie Hero Fund Commission, 1904
Carnegie Foundation for the Advancement of Teaching, 1905
Carnegie Endowment for International Peace, 1910

Each of these trusts has its own board, its own staff, and its own capital funds. The total endowment of these first 5 trusts was $53,100,000.

Then in 1911 he established Carnegie Corporation of New York with the broad purpose of carrying on philanthropic activities which would contribute to "the advancement and diffusion of knowledge and understanding." Carnegie Corporation of New York received from Andrew Carnegie by gift and will an endowment of $135 million. The assets of the corporation as of September 30, 1953, were $178,861,599, the difference between the original endowment of $135 million and the present book value of the corporation's holdings representing primarily gains on the sales and redemption of securities. Securities are carried at cost; the present market value is higher.

In his letters of gift to the corporation, Mr. Carnegie stipulated that only the income from the endowment should be available for expenditure by the trustees; and that the original trustees should elect their own successors. A complete list of current trustees of the Carnegie Corporation is appended to this statement.

It has been suggested that foundation trustees are figureheads and have no real knowledge of what the paid officers of the foundations are doing. This has no basis in fact with respect to the operations of Carnegie Corporation. The trustees of the corporation are active and responsible in both the making of corporation policy and the actual expenditure of corporation income. There is constant communication between officers and trustees. Attendance at board and committee meetings is uniformly high.

Carnegie Corporation has always made a full public accounting in its annual reports and in other publications; and we have long advocated complete public reports by all foundations, showing detailed facts as to the amount and sources of income and the amounts and objects of expenditures. Such exposure of foundation activities to public and governmental scrutiny is in our opinion the most effective and desirable means of insuring that foundation officers and trustees live up to their fiduciary obligations.

As soon as practicable after the close of the fiscal year and after an audit of the accounts by independent auditors, the officers of Carnegie Corporation present to the trustees a report of the year's operations that covers both its financial and its philanthropic acts. This report is printed and distributed to all those who have any interest in the corporation's work. In addition, the corporation now issues a quarterly report describing projects underway and announcing new grants. The mailing list for both reports is approximately 9,000 institutions and individuals.

It was Mr. Carnegie's wish that the income from the major part of the corporation's endowment should be used for the advancement and diffusion of knowledge and understanding among the people of the United States; included in the total endowment, however, is a special fund of $12 million the income from which may be used for similar purposes in the British dominions and colonies.

In the 42 years of its existence, the board of trustees of the corporation has voted grants totaling approximately $253,220,000, all representing income from the endowment. About 5 percent of the income has been spent for administration. The remainder has gone entirely to institutions, agencies, and individuals concerned with the increase or diffusion of knowledge.

Colleges, universities, and schools in the United States have received in direct grants about $68,300,000 or 27 percent. Professional and scholarly agencies have been granted approximately $69,300,000, another 27 percent. A very substantial part of this latter amount found its way indirectly to colleges and universities. Some $14 million was expended in the first 6 years of the corporation's life for construction of free public libraries and purchase of church organs in continuation of programs begun by Mr. Carnegie before the founding of the corporation.

The remainder of the total of $253,200,000, or approximately $100,800,000, has been granted to four of the other trusts previously mentioned, established by Mr. Carnegie, to help them carry out their chartered purposes. Here, again, a very substantial part of this money eventually found its way to colleges and universities.

More than half of this $100,800,000 has gone to the Carnegie Foundation for the Advancement of Teaching (established by Mr. Carnegie primarily to provide retiring pensions for college teachers), and to the Teachers Insurance and Annuity Association (established by the foundation and the corporation in 1918 to expand the pension idea on a sound actuarial basis).

From the beginning the Carnegie Corporation has operated as a grant-making organization rather than as an operating agency. The entire staff, professional and clerical, now numbers 33 and has never exceeded this figure. The trustees have always sought to achieve Mr. Carnegie's purposes through other agencies—especially colleges and

universities. The corporation has made grants to 734 colleges, universities, and schools in all 48 States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands. It has also made grants to many private research and educational agencies. The names of these colleges, universities, schools and private agencies will be found in the reports issued each year by the officers.

The trustees and officers of Carnegie Corporation are proud of the record of accomplishment of the corporation over the years since its founding. No doubt they have made mistakes and will make others in the future. No doubt their predecessors also made mistakes. Only death frees man from the possibility of error. But the record stands for all to see and it cannot be altered by those who seek to rewrite history and distort reality.

The question has been raised in these hearings as to whether foundations have supported pro-American projects and, through a shocking combination of innuendo and implication, the impression has been left that perhaps they have failed in this respect.

As far as the Carnegie Corporation is concerned, there can be only one answer to such a question. The corporation regards its entire program as pro-American. That is why the corporation is in business. It is the whole purpose of the corporation trustees and officers to work in behalf of their country, to strengthen it, and to insure its future. America is proud of its educational system. Literally millions of Americans have profited from this system. To strengthen education in America, to encourage the healthy growth of colleges and universities, and to promote that experimentation and innovation which is characteristically American are in the profoundest sense pro-American objectives. It is to just these objectives that the corporation is dedicated.

J. L. Morrill, president of the University of Minnesota, puts the matter this way:

> If the best defense against democracy's enemies is to make America a better place in which to live and to place human welfare first, American foundations have rendered service far beyond the actual sums they have contributed to higher educational institutions. Thus, indirectly, the foundations can be credited with a significant role in the never-ending battle against democracy's enemies. And at this point I should like to add one fact of vital importance: In all our dealings with foundations and with their representatives, we have never found evidence of any motivation other than a sincere and patriotic desire to further scholarship in the best American tradition.

The corporation admits readily that it must choose between applicants for its funds. It also admits that those who do not receive them must feel that those who do are favorites. The corporation certainly favors those who come to it with the best and most imaginative ideas. It favors those who have demonstrated a capacity for productive scholarship. It favors those who are recognized by their peers as being first rate. It favors institutions honestly dedicated to the best in education and research.

It does not follow that those who do not receive corporation funds do not meet the tests indicated above. The corporation's funds are limited and it can support only a fraction of the worthy individuals and institutions who apply. But a foundation which in the first 40 years of its history has made grants to more than 700 colleges and universities can hardly be accused of "favoritism" in any invidious sense of that word.

Gilbert White, president of Haverford College, has offered some relevant comments on the smaller college:

> It has been my own observation here of Haverford and at other small colleges with which I am familiar, that many of the larger foundations have been more than open to opportunities to support the smaller institutions. Relatively speaking, I think that on the whole the small colleges have received better treatment, taking into account the number of requests made, than have many of the larger institutions.

Now let me speak in more detail about Carnegie pensions and annuities for teachers. During the last 60 years, Andrew Carnegie and the Carnegie Corporation and the Carnegie Foundation for the Advancement of Teaching have together given over $80 million for such pensions or annuities for teachers in 375 colleges and universities in 42 States and in Canada.

Andrew Carnegie, speaking of the Carnegie Foundation for the Advancement of Teaching, said:

> This fund is very near and dear to me—knowing as I do, many who are soon to become beneficiaries, and convinced as I am of their worth and the value of the service already rendered by them. Of all professions, that of teaching is probably the most unfairly, yes, most meanly paid, though it should rank with the highest. Educated men, devoting their lives to teaching the young, receive mere pittances. When I first took my seat as a trustee of Cornell University, I was shocked to find how small were the salaries of the professors, as a rule ranking below the salaries of some of our clerks. To save for old age with these men is impossible. Hence the universities without pension funds are compelled to retain men who are no longer able, should no longer be required, to perform their duties. Of the usefulness of the fund no doubt can be entertained.

The Carnegie pension program played a very significant role in developing private pension systems generally, and was the dramatic first step in the more or less universal establishment of pensions for teachers. A substantial part of the corporation's current income still goes and for many years will go to pay those free pensions.

The great increase in the teaching population after the First World War, combined with a steady increase in professors' salaries, made it impossible for the foundation, even with the assistance of the corporation, to provide free pensions for all college and university teachers. Accordingly, the corporation helped to establish the Teachers Insurance and Annuity Association in 1918, through which colleges and professors might cooperate in building a system of annuities based upon regular joint payments by the professor and his college. Through this company 75,000 teachers (men and women) have accumulated assets of $335 million toward their future retirement.

Men who genuinely wish American higher education to retain its vigor cannot help but applaud the philanthropic impulse which led Mr. Carnegie to diminish the extreme financial hazards of a teaching career. To the extent that these hazards drive good men and women out of the teaching profession, American education suffers. The economic circumstances of our teachers still are not enviable, but the hazards of the profession have in the past 50 years been notably diminished by the Carnegie pension program.

Millions of Americans have at one time or another made use of a Carnegie library. Andrew Carnegie and the Carnegie Corporation have devoted more than $56 million to establishing free public libraries. More than 2,500 library buildings were built by Carnegie money.

By 1917 it was clear that the idea of the free public library had been fully accepted. The trustees then turned their attention from erecting buildings to improving the service which libraries can offer. More than $15 million was granted during the next 30 years for improvement of college libraries, for refinement of library techniques and services, for support and endowment of the American Library Association, and for endowment or support of library training schools in universities such as Chicago, Columbia, Denver, Emory, North Carolina, and Western Reserve.

American libraries today are recognized throughout the world as outstanding. Americans take their free public libraries for granted and rarely recall today that these institutions stem from one of the most imaginative philanthropic conceptions in the history of human giving.

Other and more recent contributions of Carnegie Corporation to the field of education cannot yet be seen in full historic perspective but they merit comment. The corporation has played a significant role in raising the level of higher education in the South. It has done its part to preserve and reinvigorate the best elements in our tradition of undergraduate liberal arts education. It has had, along with other foundations, a rather marked effect in strengthening certain fields of postgraduate and professional education. It has supported plans designed to attract better qualified individuals into academic life.

Although chief emphasis is upon higher education, the corporation has made two substantial grants in the field of precollege education—to the National Citizens' Commission for the Public Schools, and to Teachers College, Columbia University, for a program in citizenship education. Prior to the war, the corporation also made substantial grants in the field of adult education.

But perhaps the most important thing that can be said about Carnegie Corporation in the field of education is that it has served over the years as a source of encouragement and support to gifted leaders, vigorous pioneers, and promising young people in American higher education. The effects of this cannot be measured, but it is not unreasonable to suggest that it has been a significant ingredient in our national life. America has grown great through the encouragement of talent and through the rewarding of creative leadership. In the field of education, Carnegie Corporation has contributed importantly to both processes since 1911.

These examples may serve to illustrate some of the activities of the Carnegie Corporation over the years. One could name many others. The high standards of our medical schools can be traced in the first instance to the effects of Abraham Flexner's report on Medical Education in the United States and Canada, financed by the Carnegie Foundation for the Advancement of Teaching and published by it in 1910. Thousands of scholarships and fellowships have been made available by foundations. Thousands of smaller but vitally important private organizations concerned with such diverse matters as the improvement of the civil service, adult education, music and the fine arts, religion and philosophy, have received substantial support. This listing could be enlarged to include all that is best in our society and way of life.

In the course of these hearings, it has been said or implied that the foundations have departed from the high purposes assigned them by

their founders; that the donors and creators of the great foundations would be horrified if they knew that their funds were being used for activities in controversial fields such as the social sciences.

Those who think so will find no comfort or substantiation in the first letter of gift, dated November 10, 1911, which Mr. Carnegie addressed to the trustees of his newly founded corporation. The third paragraph of this letter is worth quoting in full:

> * * * Conditions upon the earth inevitably change; hence no wise man will bind trustees forever to certain paths, causes, or institutions. I disclaim any intention of doing so. On the contrary, I give my trustees full authority to change policy or causes hitherto aided, from time to time, when this, in their opinion, has become necessary or desirable. They shall best conform to my wishes by using their own judgment. * * *

Mr. Carnegie's own language makes it crystal clear that he had no thought of specifying the fields in which increase of knowledge would most profit his fellow men in years to come. As a student of history whose life spanned a period of great social, economic, and technological change, he knew that even the wisest man could not predict what knowledge will be most valued, what problems most important, what fields of research most fruitful, 1, 10, or 50 years hence.

Educational and philanthropic foundations and comparable organizations have served as a relatively modest (in size) but very important complement to public funds in the financing of education, particularly higher education. The total dollar contribution of educational and philanthropic foundations and comparable organizations to private higher education in this country is small compared with the public funds which have been poured into the field. Yet the private contribution is substantial, and without it the pattern of higher education in this country would have lost an element which has given richness and diversity to the whole system.

Those who believe that the United States must preserve a healthy balance between governmental and private control of our national life will be quick to see the usefulness of this contribution of private philanthropy. There are more than 1,200 privately supported colleges and universities in this country. These institutions have been vigorous and effective forces in preserving the highest standards and best traditions of our educational heritage. They would be very much less vigorous were it not for the wholehearted support of educational and philanthropic foundations.

FOUNDATION RELATIONS WITH RECIPIENTS OF GRANTS

The freedom of the scholar and teacher differs in no way from the freedom of every American. Freedom of inquiry is nothing other than the freedom of thought that every American enjoys as a birthright. The cabdriver is free to question the wisdom of city hall, and the farmer is free to reach his own conclusions on the Indochina war. These are cherished American rights.

The right of the scholar to study any subject that interests him and to arrive at any conclusions that seem sound to him is inseparable from those larger rights. In the Soviet Union scholars do not have these rights. They are told what conclusions they must come to. By the same token, in the Soviet Union the man in the street does not have the right to think freely. Freedom of thought is indivisible.

What are the obligations and limitations of a private foundation in the light of these principles? The Carnegie Corporation deals principally with men who are scholars or teachers or both. It must expend its money pursuant to the high purposes of its charter (the advancement and diffusion of knowledge), but it must do so without seeking to control the individual scholar or teacher. It must proceed with a scrupulous regard for the American tradition of free inquiry. The Carnegie Corporation, like other leading foundations, takes great pride in the tradition of restrain and mutual respect which characterizes its dealings with those who receive its grants.

The obligations and limitations of a foundation with respect to recipients of its grants may be clearly outlined. If a research grant is involved, the foundation must satisfy itself that the individual or organization under consideration will conform to the highest standards of scholarship and objectivity in arriving at conclusions. In making such judgments it is inevitable that any foundation will occasionally be fooled; but the record of a properly run foundation should show an overwhelming proportion of recipients who do in fact meet these standards.

If a teaching program is involved, the foundation must satisfy itself that the objectives of the program are within the scope of its charter and that the individual or organization involved will conduct the educational program according to the highest traditions of fairness, honesty, and academic excellence. Again, any foundation will inevitably commit some errors in making such judgments, but a properly run foundation should be able to point to an overwhelming proportion of recipients who meet these standards.

Having made the grant, the foundation should in no circumstances tell the recipient what conclusions to reach in his research, how or what to teach his students, or what to say in the book that he is writing. Any such practice would be intolerable to scholars and teachers, and at odds with the American tradition of free inquiry.

If a scholar or author working under a foundation grant has convicted himself of falsification or other forms of grave scholarly malpractice, then of course the foundation should take whatever steps are possible to prevent further misuse of its funds by that individual. But beyond such instances of clear scholarly delinquency, the foundation should not interfere with the recipients of its grants. It should not reserve the right to edit the book which is published with foundation support. It should not tell the teacher how to teach. It should not exercise thought control over the recipients of its grants.

It is extremely important for the American tradition of free inquiry that this principle of noninterference be maintained. At the same time it must be recognized that such noninterference involves consequences for the foundation. It means that the foundation cannot endorse all of the things done and said under its grants. It means that things occasionally will be done and said under foundation grants which are repugnant to the foundation itself. But, always and everywhere, this is the price one pays for freedom. Freedom is, in one sense, the right to be wrong. If you leave a scholar (or a cabdriver) free to find the right answer, you have also left him free to find the wrong answer. The history of our Nation provides abundant evidence that freemen will find right answers more often than wrong

answers, and the history of tyranny shows that men who are not free find very few answers of any kind. Nobody yet his discovered a better way of insuring the victory of truth over error than free speech.

Just as the foundations must be extremely scrupulous, so also must be the Government in not telling the scholar what to think. All of our private colleges and universities, our religious institutions, our teaching hospitals, our private preparatory schools, as well as our private foundations, enjoy tax exemption. We must be exceedingly careful not to formulate the doctrine that this tax exemption permits either the executive or the legislative branch of the Government to control the thinking of these institutions. Although medical schools and teaching hospitals are tax exempt, surely no one would think it his right to tell the cancer specialist how he should go about curing cancer. Although religious schools are tax exempt, surely no one would consider that he had the right to judge the validity of the religious doctrines taught. Although universities are tax exempt, surely no one would argue that Federal control of the faculty and student thinking would be a healthy step forward. In short, the doctrine that tax exemption justifies a political judgment as to the soundness of ideas can be a very dangerous two-edged weapon. Indeed it can be the most devastating weapon ever invented for invading the private life of this Nation.

Since the first list of subversive organizations was published by the Attorney General, the Carnegie Corporation has never made any grants, gifts, loans, contributions, or expenditures either directly or indirectly to any organization so listed, or to any individual or organization that was known or believed to advocate the overthrow of the constitutional Government of the United States by force or violence or other unlawful means.

It has always been the policy of the Carnegie Corporation to examine carefully the individuals and organizations who apply for our grants. This examination includes consideration of scholarly objectivity, public reputation, and standing as well as the loyalty and honesty of those who will direct the project. In recent years and particularly since the last war the problem of subversive activity has naturally received increased attention.

There are many ways and means by which we examine the individuals and organizations who apply for our funds. In assessing their reputation in their scholarly and professional fields we seek the judgment of their peers. We read their books and articles within the limits of time available. We are familiar with the reputation of the institutions with which the scholars are associated. Since most applications come to us from institutions rather than from individuals, the reputation of the institution is a significant factor in our judgments.

Before entering a new field of interest we make it our business to know most of the capable people who are working in the field. We see personally the applicants for funds and we visit the institutions with which they are connected.

Such investigation of applicants has been a continuous process since the founding of the corporation. These efforts are not sporadic but are a part of established policy.

IS THERE AN "INTERLOCK?"

The committee staff has asserted that the foundations form a tightly knit group—an "interlock"—and as a group play a key role in a tightly knit system that also includes operating agencies such as the Social Science Research Council, schools and colleges, and the executive arm of the Federal Government. One of the committee staff's own witnesses, Dr. Thomas Briggs, had to admit that he did not know what the staff was talking about in making this assertion, and we share that handicap.

The foundations, the educational system, and the governmental agencies do not form a tightly knit group. Any responsible educational leader will confirm that fact. Just as each foundation pursues its independent course in traditional American fashion, so the colleges of the country pursue their independent courses. The public schools are under State and local control and only individuals abysmally lacking in firsthand experience of these institutions could picture them as part of a nationally integrated whole. Indeed the suggestion that the foundations have produced a national system of education is the sort of fantasy which could only be indulged in by individuals wholly unacquainted with the highroad and byroads of American education.

As for the collaboration between foundations, it is interesting to note that the staff of the Cox committee considered that the foundations cooperated all too rarely. The question was even raised at that time as to whether the foundations should not find some means of more effective collaboration.

Mention has been made of the fact that the foundations give their money through so-called operating agencies, such as the Social Science Research Council and the American Council of Learned Societies. Why shouldn't they? But some have exaggerated the extent of this practice. The bulk of the money granted by the corporation for education and research has gone directly to the colleges and universities. Furthermore, almost all the funds granted to operating agencies eventually find their way back to the colleges and universities.

It is the essence of responsible philanthropy to seek guidance from those who are in a position to offer wise judgments. For this reason a foundation operating in the field of scholarship or teaching will habitually consult scholars and teachers. It will do this on a very broad scale. In addition to the many, many interviews which foundation officers have with scholars and teachers, the foundations find it profitable to keep in close touch with the organizations which scholars have formed to advance their common scholarly interests.

The so-called operating agencies are for the most part just such scholarly and teaching organizations run by scholars and teachers to serve their own needs and turned to by the foundations as sources of the best professional guidance. An organization such as the Social Science Research Council is the crossroads and the forum for some of the ablest scholars in the country. The council has a great many committees, each of which numbers among its members leading scholars from universities covering the length and breadth of America. The Social Science Research Council is one of the many scholarly organizations through which leading American academic figures achieve their common objectives. No foundation which hoped to maintain contact with American scholarship would want to ignore these organizations.

The corporation's policy of not handling fellowship programs itself but of financing them through scholarly agencies is an old one, and we believe a wholly sound one. The disbursement of fellowship funds should only be made on the judgment of competent scholars in the field or fields in which the awards are applicable. The scholarly councils and learned societies represent the simplest and most efficient means of insuring that fellowship awards will be made only by men who are most competent to make them.

THE SOCIAL SCIENCES

The corporation has given a good deal of money particularly in recent years, for research and teaching in the social sciences. An attempt has been made in the course of these hearings to attach a sinister significance to the social sciences. This is a grave injustice to the 40,000 or more Americans who earn their living by teaching or doing research in these fields.

"Social sciences" is a term which has come into common usage as a label for a certain sector of the world of knowledge. It is usually applied to history, political science, economics, sociology, anthropology, social psychology, and geography. It is sometimes taken to include law.

Much that goes under the label "social science" is not science in the strictest sense of that word. Indeed, much that goes on in these fields is a purely humanistic type of scholarship. There is some research in the social sciences which is more quantitative and precise. Whether the term "science" is justified for this latter research depends entirely upon how one wishes to define science.

What are these supposedly dangerous social sciences concerned with? What kinds of questions do they interest themselves in? Briefly stated, they are interested in all of the problems that men have always been interested in with respect to their own lives, the society they live in, their past, their means of livelihood, and the troubles that afflict them.

It has been said that the social sciences are new fields. This is not true. History has been the concern of distinguished scholars as far back as Herodotus, who considerably antedates the modern foundations.

What do social scientists do? The historian seeks to discover what the past can tell us about the human enterprise and about our own American background. The political scientist seeks to examine the problems involved in the governing of men. The psychologist may concern himself with why some children find it difficult to read or to learn. The sociologist may concern himself with why we have juvenile delinquency. The economist is interested in how our economy works, and why—on occasion—it doesn't work. The student of international relations is interested in the causes of war.

Are these silly questions? They are not. They are problems which concern all Americans, now more than ever before.

There have always been individuals who were opposed to the free examination of such questions. There always have been individuals who believed that man and society are much too dangerous as subjects for study. There always have been those who favor thought control.

But the American tradition of free inquiry is uncompromising. Americans are freemen, and they will continue to ask these questions about their own lives. Having asked them, they will feel themselves free to seek answers. They will not allow themselves to be fettered by fearful and small-minded men.

On this subject Laird Bell, former chairman of the board of trustees of the University of Chicago, has said:

> To forbid or hamper foundations studying and reporting matters in the fields of economics, education, international relations, government, and public administration, is to deny or restrict the public access to the facts upon which judgment in a democracy should be based. Unless we want public decisions in these fields made in ignorance, agencies should have the same freedom as individuals to ascertain facts and express opinions. The agencies have better resources for this purpose than individuals, and the very multiplicity of such agencies is a better defense against erroneous opinions than suppression or intimidation of the agencies.
>
> Take education, for example. No one knows to what conclusions research in economics and sociology may lead. Any deviation from accepted orthodox views is bound to be objectionable to someone, and there is always, but particularly right now, the probability that someone will consider that a view differing from the conventional is subversive. The same is true in the whole field of international relations, education, and Government administration.
>
> The term "subversive" means different things to different people. I submit that there is a serious danger that the study of controversial questions, a study that in our complex civilization is increasingly important, may be discouraged by fear that some authorized or voluntary agency may choose to apply this dread word to activities which are entirely legitimate and in the public interest.

There has been an attempt made in the course of these hearings to attach a sinister significance to the word "empiricism." The attempt is wholly unjustified. To approach a problem empirically means to seek to discover what the facts are. This is a distinctively American tradition.

The city which makes a traffic count at an intersection to determine whether a stoplight is needed is conducting an empirical investigation. The soap manufacturer who sends out research teams to discover how customers react to his product is conducting empirical research. The housewife who goes to the basement to discover how many mason jars she has before preparing a batch of preserves is conducting an empirical study. Literally millions and millions of dollars are invested by industry every year in empirical research. It is simply research which seeks to determine the facts objectively.

No foundation that I know of has ever said that empirical research can take the place of religion, morality, or any of the ethical principles that guide our lives. Research that seeks to get at the facts is a useful means of learning something. Americans like to get at the facts. They like to learn. They believe that knowledge will help them to build better lives for themselves, better communities for their children, and a better Nation. They do not have any illusions that facts alone will suffice, but they do not have any doubts that facts will help.

Much has been made in these hearings of the allegation that the social sciences are not "scientific" in the same sense as are the natural sciences. The latter have been referred to by the committee staff as "exact" sciences. These allegations have been highly misleading. Since no natural scientists have been called to testify on this point, I think it relevant to quote part of a letter I received recently from Dr.

Vannevar Bush, president of the Carnegie Institution of Washington (photostatic copy of the entire letter is appended to this statement):

I find it very interesting to try to state the essential differences between the natural sciences and the social sciences, for there seems to be a good deal of confusion on the matter. The real difference lies in the face that the social sciences bring in the human element, and this renders their problems inherently difficult.

But often the distinction is made on the basis that the social sciences are observational in nature, whereas the natural sciences are experimental. In other words it is asserted that in the social sciences one cannot exercise control and hence cannot separate variables, whereas these are essential features of the natural sciences. This, it seems to me, is entirely an incorrect approach. In astronomy and also in geology we have observational sciences completely within the framework of the natural sciences. One does not manipulate the stars, neither does he separate out one factor in their complex performance; he merely takes what he gets, measures it as well as he can, and proceeds to construct his theories. Exactly the same thing is true if one is observing for example, the impact of migration upon a primitive people.

It is also sometimes stated that one can measure precisely in the natural sciences and cannot do so in the social sciences. This is again an incorrect criterion. Some of the data of the social sciences is precise, for example much of the material in the census. On the other hand there still remains a vast area of the natural sciences where measurement is crude and sometimes almost absent.

It has been said that "social science research in this country is financed virtually entirely by the foundations and the United States Government. There is very little privately financed social science research." This is a misstatement. Many millions of dollars are spent each year by manufacturers, by merchandising concerns, by banks, by public utilities, and others in social science research. Market research is moderately big business. Banks spend many millions yearly in economic research. Insurance companies spend millions yearly in actuarial research and other kinds of statistical studies. Many great industries conduct extensive studies of employee attitudes, of industrial relations, of personnel problems, of customer relations, and so forth.

In no other country in the world have the social sciences developed as rapidly as they have in the United States. Americans are curious about their own society. The typical American reaction to curiosity is to seek the facts. These are the ingredients that make social science. As long as Americans retain their curiosity and their respect for facts, the social sciences will flourish in this country. Any attempt to stifle this curiosity or fetter the search for the facts is bound to do great harm, and, in the end, to be defeated.

Because of the similarity in words, uninformed individuals occasionally confuse the social sciences and socialism. The two are not related, even distantly. There are social scientists who hold every variety of political view. They do not differ in this respect from other groups. Presumably some are Socialists. No doubt there are those who favor other minority political and economic beliefs. But the overwhelming majority of them are middle-of-the-road Americans, with a middle-of-the-road view of politics and economics.

It is in the field of economics that the question of socialism is most frequently raised. The activities of the Carnegie Corporation in the field of economics have been relatively limited. Such grants as it has made in this field have gone chiefly to the Brookings Institution of Washington and the National Bureau of Economic Research in New York City.

A former vice president of the Brookings Institution, Dr. Edwin Nourse, was Chairman of the President's Council of Economic Advisers in the last administration. The Research Director of the National Bureau of Economic Research, Dr. Arthur F. Burns, is Chairman of the same group in the present administration. The public reports of both Brookings and the national bureau have been generally accepted by economists in universities, in industry, and in the Government as wholly objective and untainted by any special pleading, socialistic or otherwise.

As a matter of objective fact, socialism has lost ground steadily in the United States during the first half of this century. Socialists, like all extremists, are essentially doctrinaire. The record might have been a vastly different one if Carnegie Corporation and other foundations had not helped American economists to make the objective studies that have exposed all doctrinaire positions in their true light, and thus reduced their allure for the public generally.

Another field of foundation activity that has been criticized is the field of international affairs. The implication has been left that it is somehow reprehensible for a foundation to foster an active interest in international affairs. The position of the Carnegie Corporation with respect to this matter is easily stated.

Americans have experienced 2 devastating world wars in 40 years. Their sons have been killed in Europe, in Africa, in Asia, and in the Pacific. They have suffered through the Korean war and face the threat of war in Indochina. Atomic war, with the total destruction of civilization, looms as an imminent possibility.

In the circumstances, all sensible Americans are interested in international affairs. All sensible Americans hope that wars can be avoided. All sensible Americans hope that law and order among nations will someday replace anarchy among nations. All sensible Americans hope that understanding among nations will someday replace hatred and bitterness among nations.

Andrew Carnegie believed fervently that the curse of war could be lifted from mankind. Some will argue that this belief was unrealistic; none can argue that it was un-American. Andrew Carnegie believed devoutly that all Americans should work for increased understanding among nations. It was not a dishonorable belief.

The Carnegie Corporation has an unqualified loyalty to the principles that have made our Nation great. The corporation is concerned that those principles—and the nation which embodies them—shall survive in a dangerous world. Such a concern leads inevitably to an interest in international affairs.

Therefore, the Carnegie Corporation has given money to enable Americans to gain a more adequate knowledge of the world at large. It has given money to enable Americans to study the problems of war and peace. It has given money to develop experts on international affairs.

The corporation does these things because it considers them essential to insure America's future as a nation. The gravest threats to America's future are on the international scene. One cannot be sincerely concerned about America's future and unconcerned about the international scene.

A question has been raised as to propaganda and the influencing of public attitudes. The question must be divided. Carnegie Corpora-

tion does not engage in propaganda. But it is not only the right but the duty of educational and philanthropic foundations to assist projects which through the discovery of new facts or through the full presentation of old facts may lead people to better knowledge and understanding. Research, whether in the natural sciences, the social sciences, medicine, or public education, may well provide new information or new insights that will in some measure affect public attitudes.

In this sense of influencing opinion through knowledge and understanding, the work of an educational foundation unquestionably affects public attitudes. The effort to learn would be futile, indeed, if there were no effort to teach.

The Carnegie Corporation is only one of a great and varied group of public and private organizations concerned with teaching and research in this country—a group that includes schools, colleges, universities, scholarly societies, research laboratories, religious training institutions, foundations, and medical centers. These organizations, individually and collectively, have contributed enormously to the American tradition of inventiveness, innovation, freedom to learn, and freedom to teach. Each of them, from the largest foundation to the smallest college in the land bears a grave responsibility to keep this tradition alive. It is that tradition that has been called into question in the present hearings.

I am a graduate of the University of Wisconsin, and I should like to close this statement with an extract from the official record of the board of regents of that university. This extract is taken from the report of a special committee of the regents called into being by another and earlier threat to the freedom of inquiry. I quote:

> We cannot for a moment believe that knowledge has reached its final goal, or that the present condition of society is perfect. We must therefore welcome from our teachers such discussions as shall suggest the means and prepare the way by which knowledge may be extended, present evils * * * removed and others prevented.
>
> We feel that we would be unworthy of the position we hold if we did not believe in progress in all departments of knowledge. In all lines of academic investigation it is of the utmost importance that the investigators should be absolutely free to follow the indications of truth wherever they may lead.

The concluding sentence of this report is engraved on a bronze plaque which is set into the portico of Bascom Hall, the main classroom building of the university. Often as I went to and from my classes 30 years ago, I stopped to read it because it seemed to me to embody the essence of the spirit of free inquiry. This is the sentence:

> Whatever may be the limitations which trammel inquiry elsewhere we believe the great State University of Wisconsin should ever encourage that continual and fearless sifting and winnowing by which alone the truth can be found.

These words were not written by scholars. They were written by brave and honest citizens—businessmen, lawyers, farmers—drawn from the length and breadth of Wisconsin. They were written in September 1894. Now, 60 years later, I can find no other words which so well summarize my own convictions and the convictions of my colleagues in the staff and board of Carnegie Corporation of New York.

TRUSTEES OF CARNEGIE CORPORATION OF NEW YORK

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Charles A. Thomas, president, Monsanto Chemical Co.

CARNEGIE INSTITUTION OF WASHINGTON,
Washington 5, D. C., June 9, 1954.

DR. CHARLES DOLLARD,
Carnegie Corporation of New York,
New York 36, N. Y.

DEAR CHUCK: I find it very interesting to try to state the essential differences between the natural sciences and the social sciences, for there seems to be a good deal of confusion on the matter. The real difference lies in the fact that the social sciences bring in the human element, and this renders their problems inherently difficult.

But often the distinction is made on the basis that the social sciences are observational in nature, whereas the natural sciences are experimental. In other words it is asserted that in the social sciences one cannot exercise control and hence cannot separate variables, whereas these are essential features of the natural sciences. This, it seems to me, is entirely an incorrect approach. In astronomy and also in geology we have observational sciences completely within the framework of the natural sciences. One does not manipulate the stars, neither does he separate out one factor in their complex performance, he merely takes what he gets, measures it as well as he can, and proceeds to construct his theories. Exactly the same thing is true if one is observing, for example, the impact of migration upon a primitive people.

It is also sometimes stated that one can measure precisely in the natural sciences and cannot do so in the social sciences. This is again an incorrect criterion. Some of the data of the social sciences is precise, for example, much of the material in the census. On the other hand, there still remains a vast area of the natural sciences where measurement is crude and sometimes almost absent. Take the field of genetics, for example. When one is attempting to sort out the order of the genes of the chromosome of the fruitfly he measures the numbers of progeny and, in fact, assembles the sort of vital statistics for his organism which are quite parallel in nature to the type

of vital statistics utilized in population studies, and these are often subject to the same vagaries and influences and have to be used with care. The present geneticists are much concerned with the biochemistry of their subject and in particular with the influence of the cytoplasm upon the functioning of genes. There is involved an exceedingly complex chemical interrelationship, which is hardly subject to chemical analysis in the ordinary terms. One cannot control in the usual sense by introducing chemicals at will, for he is dealing with a live organism and the introduction of a single chemical affects the functioning in diverse and little understood ways. He accumulates a hint here, and a suggestion there, and attempts to make a consistent and useful pattern out of the vast maze of intricate and sometimes conflicting testimony. The parallelism with what he does with some of the investigatory work of the social scientist is almost complete.

There is often the assertion that the social sciences would prosper if they would carry over the methods of the natural sciences. This is unusually asserted by people who see the extraordinary results being attained in the natural sciences and who jump to a conclusion. But there is no such thing as a method of the natural sciences, there is a maze of methods, and the selection of these involves one of the greatest skills of genius. Certainly there are tools and instruments which are applicable in both fields, and which should be made use of wherever they can prove advantageous. But to try to carry over bodily methods of approach from any branch of science to any other leads always into difficulties, as would be expected, for the method must be based on the problem in hand and not on a priori considerations.

The real difference between the two great branches lies in the fact that the social sciences deal with the performance of human beings. It is far more difficult to measure these and to reduce all arguments to be in terms of numbers than it is to do the same thing for a molecule. We might note in passing that even the physicists, when dealing with the interactions inside the nucleus, have proceeded to abandon all of the usual mathematical formulations and are proceeding in terms of arguments which at times border on the mystical. But one cannot specify a human being in the same way that he can specify a chemical compound. Again be it noted that the chemists, dealing with proteins, are in much the same situation for they can neither specify the atomic arrangements involved, nor can they predict what characteristics one of their chemical modifications may produce.

The difference is hence a matter of degree as far as the use of measurement is concerned. Also one should note that there has been enormous progress in the last decade or two in reducing to measurement many matters in the field of the social sciences which were formerly thought to be beyond reach from this standpoint. But one cannot disregard the fact that there has been great science at times with very little in the way of measurement and mathematical formulation involved. The trend in both the natural and social sciences is toward the use of more measurement and more precision in the handling of them. This does not mean that a subject in order to be called a science needs to lean on the deflection of a needle or the dip of a balance.

The natural sciences are far more advanced down the road of use of measurement and the use of precise analysis. There is one effect which is important in weighing the validity of efforts. As rapidly as a science becomes precise and subject to mathematical treatment,

there is less of argument upon the basis of balance of evidence, and opinions become to a great extent subject to tests in a form that are universally accepted. For this reason the career of an individual in the natural sciences who abandons logic, and who tries to support wild guesses, is usually brief and conclusive. The social scientists do not have the same degree of means for insisting upon rigor where it applies, and soundness and logical reasoning in the handling of evidence. They are making great progress along these lines, but there is here still a real difference in the way in which the scientists proceed as professional groups in the two fields.

I do not know whether there are any thoughts in here that will aid your own thinking on the matter, but I hope the time is not far off when we can again explore the subject together.

Cordially yours,

V. BUSH.

ANSWERS TO SPECIFIC CHARGES

A memorandum submitted for the record by Charles Dollard, president, Carnegie Corporation of New York

I have sought in oral testimony before this committee to make clear how completely unfounded are the broad charges which have been leveled against the Carnegie Corporation. It remains to answer in detail certain specific charges which have been brought against various projects with which the corporation has been associated.

The evidence which has been placed before the committee to date on these matters has been characterized by errors of fact and errors of interpretation. I am genuinely reluctant to engage in public disputation on these matters. But the record must be set straight, and I am sure that the committee will welcome such corrections as I am in a position to offer.

I shall discuss five separate matters, in the order in which they appear in the record:

I. An American Dilemma: The Negro Problem and Modern Democracy by Gunnar Myrdal et al.
II. Education for International Understanding in American Schools. Prepared and published by the National Education Association.
III. The Proper Study of Mankind by Stuart Chase.
IV. The American Soldier by Samuel Stouffer, et al.
V. Report of the Commission on Social Studies. American Historical Association.

I. AN AMERICAN DILEMMA BY GUNNAR MYRDAL ET AL

An American Dilemma has been referred to in the course of the hearings by two witnesses, Messrs. Dodd and Colegrove. Originally published in 2 volumes (1,500 pages) in 1944, it was the end product of a 6-year study of the Negro problem, which study was financed by the Carnegie Corporation at a cost of about $300,000.

In the early days of these hearings, one of the witnesses characterized this 1,500-page work by reading a series of short excerpts taken from the introductory chapter of the work. Without raising the question as to the appropriateness of characterizing a scholarly work by

lifting a few sentences out of context, and reading these sentences seriatim as if they followed one on another, one feels a duty to set the record straight.

Here is the first quotation which the witness offered:

Indeed, the new Republic began its career with a reaction. Charles Beard, in An Economic Interpretation of the Constitution of the United States, and a group of modern historians, throwing aside the much cherished national mythology which had blurred the difference in spirit between the Declaration of Independence and the Constitution, have shown that the latter was conceived in considerable suspicion against democracy and fear of the people. It was dominated by property consciousness and designed as a defense against the democratic spirit let loose during the Revolution.

Here are the two sentences which follow immediately on the paragraph quoted above and which the witness did not quote:

But, admitting all this, the Constitution which actually emerged out of the compromises in the drafting convention provided for the most democratic state structure in existence anywhere in the world at that time. And many of the safeguards so skillfully thought out by the conservatives to protect "the rich, the wellborn, and the capable" against majority rule melted when the new order began to function. (Italics ours)—Chapter I, page, 7.

Other quotations read into this record earlier all leave the impression that Myrdal was consistently and bitterly critical of everything American. It is worth noting that the witness who read these quotations into the record overlooked passages which give a much truer indication of Dr. Myrdal's attitude toward this country. Consider, for example, the following passage (p. 4, ch. I):

These ideals of the essential dignity of the individual human being, of the fundamental equality of all men, and of certain inalienable rights to freedom, justice, and a fair opportunity represent to the American people the essential meaning of the Nation's early struggle for independence. In the clarity and intellectual boldness of the enlightenment period these tenets were written into the Declaration of Independence, the preamble of the Constitution, the Bill of Rights, and into the constitutions of the several States. The ideals of the American creed have thus become the highest law of the land. The Supreme Court pays its reverence to these general principles when it declares what is constitutional and what is not. They have been elaborated upon by all national leaders, thinkers, and statesmen. America has had, throughout its history, a continuous discussion of the principles and implications of democracy, a discussion which, in every epoch, measured by any standard, remained high, not only quantitatively but also qualitatively. The flow of learned treatises and popular tracts on the subject has not ebbed, nor is it likely to do so. In all wars, including the present one, the American creed has been the ideological foundation of national morale.

Another quotation which serves to illustrate Myrdal's profound respect for America and Americans will be found in the author's preface on page xlii. It reads as follows:

At this point it must be observed that America, relative to all the other branches of western civilization, is moralistic and moral conscious. The ordinary American is the opposite of a cynic. He is on the average more of a believer and a defender of the faith in humanity than the rest of the occidentals. It is a relatively important matter to him to be true to his own ideals and to carry them out in actual life. We recognize the American, wherever we meet him, as a practical idealist. Compared with members of other nations of western civilization, the ordinary American is a rationalistic being, and there are close relations between his moralism and his rationalism. * * * This moralism and rationalism are to many of us—among them the author of this book—the glory of the Nation, its youthful strength, perhaps the salvation of mankind.

The truth of the matter is that any conscientious person who reads Myrdal's entire report cannot possibly fail to sense his deep affection

for this country in which he received part of his education and which he has visited almost annually for the last 20 years.

Neither of the two previous witnesses who referred to Myrdal's work made any attempt to tell the committee what the Myrdal book was about, or to evaluate it as a scholarly work. Hence, it may be worth noting in passing that few studies of American social problems in this century have been as widely applauded or warmly reviewed. An American Dilemma stands and will stand as one of the great social documents of the century, and Dr. Myrdal will continue to be admired here and abroad as an objective and completely honest scholar.

One of the earlier witnesses dismissed Dr. Myrdal as a "foreigner" and a "Socialist." That Dr. Myrdal is a foreigner cannot be denied since he was born in Sweden and is still a Swedish citizen. It is worth asking, however, whether the witness would similarly dismiss Lord Bryce and De Tocqueville, two other foreign-born scholars, who helped America to see its problems in new perspective and to understand and appreciate its own greatness.

It is less accurate to refer to Dr. Myrdal as a "Socialist," without defining that opprobrious word. True indeed, he was and is a member of the Social Democratic Labor Party in Sweden which has been the dominant party in that country for many years. But it is common knowledge that the program inaugurated in Sweden by the Social Democrats is vastly different from what we in this country normally think of as socialism. While Sweden has gone beyond most states in the provision of social services to its people, facilities for production and distribution of goods are still almost entirely in private hands. Sweden's economy remains a private-enterprise economy.

The question remains: Why did Carnegie Corporation seek a foreign scholar to undertake this particular study and why did it finally select a Swedish scholar? The answer is contained in the following extract from the foreword to An American Dilemma which was written and signed by Frederick P. Keppel, then president of the corporation:

> In 1931, the late Newton D. Baker joined the corporation board. He was the son of a Confederate officer, attended the Episcopal Academy in Virginia and the Law School of Washington and Lee University, and spent the greater part of his early years in the border States of West Virginia and Maryland. His services first as city solicitor and later as mayor of Cleveland gave him direct experience with the growing Negro populations in northern cities, and as Secretary of War he had faced the special problems which the presence of the Negro element in our population inevitably creates in time of national crisis.
>
> Mr. Baker knew so much more than the rest of us on the board about these questions, and his mind had been so deeply concerned with them, that we readily agreed when he told us that more knowledge and better organized and interrelated knowledge were essential before the corporation could intelligently distribute its own funds. We agreed with him further in believing that the gathering and digestion of the material might well have a usefulness far beyond our own needs.
>
> The direction of such a comprehensive study of the Negro in America, as the board thereupon authorized, was a serious question. There was no lack of competent scholars in the United States who were deeply interested in the problem and had already devoted themselves to its study, but the whole question had been for nearly a hundred years so charged with emotion that it appeared wise to seek as the responsible head of the undertaking someone who could approach his task with a fresh mind, uninfluenced by traditional attitudes or by earlier conclusions, and it was therefore decided to import a general director—somewhat as the late Charles P. Howland was called across the Atlantic to supervise the repatriation of the Greeks in Asia Minor after the close of the First World

War. And since the emotional factor affects the Negroes no less than the whites, the search was limited to countries of high intellectual and scholarly standards but with no background or traditions of imperialism which might lessen the confidence of the Negroes in the United Sttes as to the complete impartiality of the study and the validity of its findings. Under these limitations, the obvious places to look were Switzerland and the Scandinavian countries, and the search ended in the selection of Dr. Gunnar Myrdal, a scholar who despite his youth had already achieved an international reputation as a social economist, a professor in the University of Stockholm, economic adviser to the Swedish Government, and a member of the Swedish Senate. Dr. Myrdal had a decade earlier spent a year in the United States as a fellow of the Spelman Fund, and when the invitation was extended to him by the corporation in 1937, was about to make a second visit at the invitation of Harvard University to deliver the Godkin Lectures * * * (pp. VI, VII).

II. EDUCATION FOR INTERNATIONAL UNDERSTANDING IN AMERICAN SCHOOLS—A BOOK PREPARED AND ISSUED BY THE NATIONAL EDUCATION ASSOCIATION

At an earlier stage in these hearings, one of the witnesses read into the record a number of quotations from the book Education for International Understanding in American Schools issued by the National Education Association. Careful scrutiny of the book itself will reveal that the quotations selected do not provide a fair picture of the views of the authors. No passages were quoted to illustrate the constructive and realistic attitude of the authors toward nationalism. For example:

"International understanding" is a broad term and necessarily encompasses many things. It does not connote the absence of national loyalty nor an unrealistic approach to the world. Rather, it includes the process of making students informed and loyal citizens of their own country—aware of the nature of the world in which they live, the relationship of their nation to the world as a whole, the forces that motivate national action, the life and institutions of other nations, and a host of other things in order that they may bring their intelligence and judgment to bear upon the problems of living in an interdependent world (p. 9).

Americans generally agree that our country must be prepared for any emergency, but the problem is to determine what is adequate preparedness. The problem is not simple, for our security rests upon the strengthening of the ideals of the American way of life as well as upon economic and military factors (p. 19).

The Brookings Institution, in a recent study, has outlined the problem thus:

"There are certain elements of national military power, however, that are required for the security of the United States, whether or not a system of world-wide collective security under the United Nations is effective. The essentially national elements relate to: the maintenance of an adequate military establishment; continuous research and development; the maintenance of a coordinated system of intelligence; plans for the organization of the Government for possible war, for the mobilization of industry and manpower, and for civilian defense, civilian economy, and national discipline. The full effectiveness of all these elements requires a unity of purpose and a high degree of moral strength among the American people" (p. 19).

As one scholar puts it:

"Patriotism, loyalty to one's nation, has in some places been criticized as an 'absurd prejudice' or as 'a vulgar vice,' or as 'a virtue—among barbarians.' Such criticism of patriotism are about as valid as would be the charge that one is less loyal and effective as a citizen because he is loyal to his family, his community, and the multiplicity of social groups of which one may be a member. Nevertheless, such criticisms are sound if patriotism means that love of one's fellow men stops at national frontiers, if it means that it must be based on malice to all and charity toward none outside one's national group" (I. L. Kandel) (p. 46).

"Nationalism has been, and is, one of the most powerful forces in the development of the kind of world in which we must live. The idea of 'one nation indivisible,' which we repeat in our pledge of allegiance to the flag, is also held, in one form or another, by most of the people in the world. We look to our

Nation for protection; we give it our loyalty and faithful service." (Quoted from manual prepared by Cleveland public schools.) (P. 178.)

No passages were quoted which revealed the active concern of the authors for moral and spiritual values. For example:

There is another threat that is as great as that to be feared from new engines of destruction—the loss of the moral and spiritual values that a resort to force seeks to defend (p. 16).

The peaceful resolution of differences, however, is only possible within the limits of what nations and individuals consider to be the essential values governing their conduct, values, and principles that are not susceptible to change and which must be defended in the face of attempts to subvert them (p. 22).

Education as a force for world peace derives its validity from the fact that it is the process by which individuals and groups are made aware of the values and standards that men create to govern their conduct. The process of becoming aware of those standards and values involves the acquisition of knowledge and the development of a capacity to judge critically the mass of human experience in terms of these standards. It involves further the process of applying the standards and values to specific situations (p. 35).

No passages were quoted which reveal the alertness of the authors to the dangers of communism. For example:

The Soviet system, which we call "communism" is not the only form in which authoritarianism exists today, for there are absolute monarchies and dictatorships throughout the world. It has been entirely possible for democratic states to exist harmoniously in a world with nondemocratic states. However, if the ideology of any state requires attack upon the very existence of another state, such aggressiveness is a serious menace to the peace. It was this ideological aggressiveness—embodied in the mazism and fascism—coupled with the unscrupulous use of state power, that helped bring on World War II. This same situation—revolutionary ideology implemented the vast national strength—is evident in certain aspects of the foreign policy of the Soviet Union today.

The combination of an aggressive ideology with a powerful national state is made all the more dangerous because it is difficult or impossible to appeal directly to the people of that state. The denial of the concept of individual liberty, the strict censorship of access to information not approved by the state, and limitations of freedom of thought and expression make it extremely difficult for the people in any authoritarian state to express effectively that desire for peace which is undoubtedly the common possession of all peoples everywhere (p. 24).

In some intances, sentences were taken out of context in such a way as to affect the meaning of the total passage. For example, on page 45 there appears the passage quoted below. The two sentences italicized (italic not in original) were quoted to the committee. The remainder of the passage was not quoted to the committee.

T. V. Smith has said that "nationalism represents perhaps man's most massive achievement up to date." This is true because the evolution of the nation-state system represents an advance of men in the organization of a political unit larger than the tribe, the city-state, or the province. It made possible the maintenance of law and order over a larger area than was formerly possible.

Unfortunately man did not attain peace through the nation-state system on a worldwide basis. Militant leaders realizing the unifying spirit that could be aroused in their followers by an appeal to their new national loyalties utilized it for purely national ends. A spirit of narrow nationalism was stirred up in the people by impressing them with an idea of their own superiority. The self-interest of the race or nation was magnified.

People were taught to look down upon other nationalities as inferior. War was regarded as an accepted means of extending the prestige of the nation. This development was an important factor in bringing about both the First and Second World Wars. *So long as these narrow nationalistic ideas continue to be held by many people in all nations today, there is a threat to peace* (p. 45).

Note that the two italicized sentences taken alone give the impression of rather unqualified criticism of nationalism. Placed in context, it becomes apparent that the authors are critical of only those

"narrow nationalistic ideas" which—in the hands of aggressor nations—brought on both the First and Second World Wars.

III. THE PROPER STUDY OF MANKIND, BY STUART CHASE

A witness has raised some questions about this book and its author. Stuart Chase is an extremely able writer who had in the past demonstrated a great capacity for translating technical material into terms which the ordinary layman could understand. The last assignment which Mr. Chase undertook prior to writing the Proper Study of Mankind was an assessment of the labor policies of the Standard Oil Co. of New Jersey. This study was commissioned by the Standard Oil Co. and the results were printed in its monthly magazine (the Lamp) and offprinted for wide public distribution. A careful study of Mr. Chase's record would have also disclosed the fact that he has performed similar assignments for a variety of other well-known industrial concerns.

Mr. Chase was called a "cultural determinist." The influence of social factors in determining behavior was observed by the ancient Greeks, and the modern case for culture as an influence on human behavior was first made more than 50 years ago by William Graham Sumner, one of the greatest of American sociologists and economists in a book entitled "Folkways." Chase's estimate of the importance of the so-called culture concept would be concurred in by a majority of the anthropologists in America. This does not deny (nor does Chase) the importance of biological and other factors in human behavior.

It was said "that there is not a balanced presentation of ideas" in Chase's book. The opinion of 10 qualified social scientists who read the book in manuscript was unanimously to the contrary, as was the opinion of almost every social scientist who reviewed the book in a professional journal.

It was stated that Chase's treatment of the field of economics is a "balanced presentation" because Chase knew this field but that his treatment of anthropology, sociology, psychology, etc., is unbalanced because Dollard and Young did not tell him what to say about these fields. Of course Dollard and Young did not censor Chase. What they did do was (*a*) help give Chase access to the most competent social scientists in the country, and (*b*) require him to submit his completed manuscript for criticism by competent social scientists representing all of the fields which the book covers.

That Mr. Chase made good use of the very trenchant criticisms which he thus received, prior to the publication of the book, is evidenced by the fact that competent authorities who reviewed the Proper Study of Mankind found no lack of balance in Mr. Chase's treatment of the various social sciences.

IV. THE AMERICAN SOLDIER, BY SAMUEL STOUFFER ET AL.

A witness made a general attack on the 4-volume work entitled "The American Soldier." His specific criticisms focused on chapter 1, of volume I, which is an attempt by the authors to explain how the studies on which the volumes were based came to be made, and chapter 2, volume II. The studies made by the Information and Education

Division [1] of the Army which resulted in the adoption of the so-called point system for demobilization were singled out for particular attention.

Since the testimony on this matter is confused almost beyond belief, the following categorical statements are in order.

The studies which led to the establishment of the point system were made at the request of a Special Planning Division created in the War Department by General Marshall in 1943 or early 1944. This staff was assigned the responsibility for making forward plans for all phases of demobilization and related matters.

The chief contribution of the Information and Education Division was to define the factors which soldiers thought should be taken into account in a demobilization plan and to list the order in which the troops thought these factors should be weighed. The actual weights were assigned by the Special Planning Division, upon the recommendation of a committee of officers representing Army Service Forces, the Air Force and Ground Forces.[2]

It was clearly specified in the overall demobilization plan that military necessity should outweigh other considerations and that theater commanders were authorized to retain "essential personnel" no matter what their point scores might be. If field commanders did not in fact take full advantage of this authority, it was not because of pressure from social scientists but rather resulted from congressional pressures and the very vocal outcries of wives and mothers for the release of their husbands and sons. Clear evidence supporting this will be found in the January 16, 1946, issue of the New York Times.[3] It was on this date that General Eisenhower, then commanding general of the European theater, and Admiral Nimitz appeared before an extraordinary joint session of the two Houses of Congress to answer demands that soldiers be returned from Europe more rapidly.

It was implied that the activities of the Research Branch of the Information and Education Division were in direct defiance of the Secretary of War and as proof a directive issued by the Army in May 1941 was quoted.

The fact is that this regulation was issued primarily to protect the Army against the incursions of outside "pollers" who wished to use soldiers as a captive audience. The Secretary of War quite rightly outlawed such activities as soon as they were brought to his attention. A subsequent regulation issued by the Army specifically authorized the Information and Education Division [4] to conduct studies of soldiers' opinions and attitudes and certified such studies as useful and necessary for the proper conduct of certain established Army activities. This regulation reads as follows:

d. Sample surveys.—Planning surveys and experimental studies of specific morale problems provide an accurate method of determining soldiers' mental attitudes and the extent to which the factors considered in these regulations in-

[1] At various times during World War II, this Division was officially designated as the Special Services Division and the Morale Branch. Its mission remained constant despite these semantic changes.

[2] All these events antedate the creation of the Department of Defense.

[3] A single paragraph from the Times, January 9, illustrates the point: "Letters from GI's bearing 'No boats, no votes' stamps and from organized 'Bring Daddy Home Clubs' piled up in legislators' letterboxes in what was termed the greatest volume of mail in congressional history. Some Congressmen talked of introducing legislation to force the Army to release men with 18 months' service, dependents, or a desire to go to school."

[4] See footnote p. 12, supra.

fluence the morale of the individual. Such surveys and studies should be based on the questioning of scientifically selected cross sections of troops under conditions which protect the anonymity of the individual. This research provides a necessary scientific check on personal impressions, and aids in the interpretation of statistical data from official records. The making of such sample surveys and experimental studies is the responsibility of the Director, Special Services Division,[4] Services of Supply.

This regulation was published in the War Department, MR 1–10, March 5, 1943 (par. 43 D, p. 17).

It was implied that data resulting from opinion surveys or "polls" is "unscientific." As a matter of fact, survey techniques are widely used by many of the leading industrial firms in the country. For the past 5 years, the economic forecasts of the Federal Reserve Board have been based to a very large extent on careful estimates of the intentions of consumers with respect to future purchases and future savings. These data are supplied by the Survey Research Center of the University of Michigan, one of the leading centers for the scientific study of attitudes and opinions, under contract with the Federal Reserve Board.

Social scientists made important contributions in World War I long before any of the foundations were active in these fields. Much of our present knowledge in the field of psychometrics is an end product of the pioneering work done by Guthrie, Miles, Bingham, et al., who were called on by the Adjutant General of the Army in 1917 to set up a system of classification for the Army. Similarly, the statistical procedures which now enable the General Staff of the Army to keep track of its day-to-day business were initiated by two economists, the late Leonard Ayers of Cleveland and W. Randolph Burgess, present Deputy to the Secretary of the Treasury.

If the Army has indeed been "invaded" by social scientists, the record should show that the invasion began when the authors of The American Soldier were still in knee pants.

V. REPORT OF THE COMMISSION ON SOCIAL STUDIES, AMERICAN HISTORICAL ASSOCIATION

In 1934 the Commission on Social Studies, an ad hoc group set up by the American Historical Association, published the final volume in a series of reports on the social studies field. This final volume, entitled "Conclusions and Recommendations," has been discussed and quoted at some length in these hearings. It may be useful therefore to state what the book is about and describe the circumstances surrounding the Carnegie Corporation grant which made the book—and indeed the whole series of studies—possible.

The book does not advocate socialism. The authors did repeatedly record the observation that the United States appeared to be moving from an era of extreme individualism to an era characterized by far greater emphasis upon economic and social planning. This was an accurate observation.

The worst that can be said is that the authors not only reported this trend but appeared to accept it cheerfully. What they were accepting was sot socialism. It was the New Deal.

The book was written in the depths of the greatest depression this country has ever known. The mood of the book was the national mood at that time. Those were the days of breadlines, soup kitchens,

and coal doles; of men selling apples on street corners or peddling cheap kitchenware from door to door; of 15,000 bonus marchers encamped on Anacostia Flats; of nearly 13 million unemployed.

Shall we now deny that there was at that time a widespread disillusionment concerning our economic system, or that men were energetically seeking new solutions to a desperate situation? Or if we admit those facts, shall we seek now at the height of our prosperity to reproach all those who shared the doubts and hopes of that time?

Since the word "collectivism" is used frequently throughout the book, it is useful to note that Charles Beard, in a letter to Frederick Keppel, then president of Carnegie Corporation, said that he had chosen the word because it "avoids the connotations of socialism and communism." Whether his choice was a wise one may be debated, but his intention is clear.

So much for what the book says. The relationship of Carnegie Corporation to the project remains to be clarified.

The Carnegie Corporation was first approached by Dana Carleton Munro, a medieval historian and well-known authority on the Crusades. The approach was made in behalf of the American Historical Association, one of the older scholarly societies in America, and without question one of the most honorable. The group of historians who had developed the project within the American Historical Association numbered among its members some of the most distinguished university professors of the time—Charles Beard, of Columbia; Isaiah Bowman, of Johns Hopkins; Guy Stanton Ford, of Minnesota; Charles Merriam, of Chicago; and Carleton J. H. Hayes, also of Columbia. All were men of great integrity and of high reputation as scholars.

In the early years of the study there appeared no foreshadowing of the political and economic views which characterize the final volume. But had the corporation seen the draft of the manuscript, it would not have sought to alter these views. The corporation made its grant to the American Historical Association. The association selected the members of the commission. The members of the commission were responsible for the book. The fact that the corporation has the power to grant or withhold funds does not give it the power to censor or rewrite the works produced under its grants. This means, obviously, that works will be supported by corporation grants containing views that differ from those held by trustees and officers of the corporation. This is as it must and should be. The alternative is thought control.

What actually happened was in the healthiest tradition of American life. Of the 16 members of the commission, 4 declined to sign the document. This disagreement was not in any way concealed. On the contrary, it is mentioned in an introductory note at the beginning of the volume. Furthermore, each of the men who declined to sign was invited to submit a dissenting opinion to be printed over his signature along with the report. None took advantage of this opportunity. One individual who did sign—Isaiah Bowman—prepared a vigorous statement dissenting from many of the "conclusions." This, too, was given full publicity. In fact, it appears as appendix C in the Conclusions and Recommendations.

Mr. Keppel, president of the corporation, expressed his private reservations concerning the final volume. In a letter to one of the authors of the book, Mr. Keppel says:

> Frankly, I think that the report in its final form is a fairly vulnerable document, but I am not sure that in the long run that it is not going to be a good thing. * * * The fact that the report was not signed unanimously does not trouble me very much, nor the fact that I would have dealt with some of the material quite differently if I had been writing it myself.

LEAGUE FOR INDUSTRIAL DEMOCRACY—ANSWER OF DR. HARRY W. LAIDLER, EXECUTIVE DIRECTOR OF THE LID, TO STATEMENT OF KEN EARL

Sworn statement by Dr. Harry W. Laidler, executive director, League for Industrial Democracy, regarding the educational activities of the LID, submitted in writing to the Special Committee To Investigate Tax-Exempt Foundations. The statement is a reply to the criticisms of the league made by Ken Earl, attorney of the law firm of Lewis, Strong & Earl, Moses Lake, Wash., at the hearing of the special committee in Washington, D. C., Tuesday and Wednesday, June 15 and 16. These criticisms were contained in Mr. Earl's mimeograph report and in his answers to the committee's questions

To Members of the Special Committee To Investigate Tax-Exempt Foundations of the United States House of Representatives:

My name is Dr. Harry W. Laidler, executive director of the League for Industrial Democracy. I have served as executive director of the league since its inception in 1921, and, prior to that, as secretary of the league's predecessor, from 1910 to 1921. Outside of my LID activities, I have been a member of the New York City Council; a lecturer in economics at Brooklyn College, the College of the City of New York, and New York University; have written a number of books including college textbooks on economic movements and problems; am a member of the New York bar, and have been active in economic research organizations.

The League for Industrial Democracy is a nonprofit, educational organization of 49 years' standing, incorporated as a membership corporation under the laws of New York State. It is not a foundation, as defined by the Webster's New International Dictionary, which describes a foundation as "a corporation provided with funds for contributing to the endowment of institutions; that which is founded or established by endowment." The league was not founded by an endowment. It has at the present time no endowment. It does not endow other institutions, and it receives but an infinitesimal part of its moderate income of less than $50,000 a year from foundations. Its members and board of directors were thus, in the nature of the case, somewhat surprised to learn that the league, after 49 years of fruitful educational activity, had been suddenly made the subject of a 39-page attack by Mr. Ken Earl, a Moses Lake, Wash., attorney, hitherto unknown to them, and had been selected for that unusual attention from thousands of foundations, as technically and popularly defined, and from tens of thousands of other tax-exempt associations.

The league, indeed, is one of the few tax-exempt educational societies in America dedicated to a better understanding of the labor

movement and to education for increasing democracy in our economic, political, and cultural life.

It has sought to stimulate college men and women in the public generally to understand the social problems of their times and to seek constructive, democratic remedies to social abuses. It has done valuable educational work through its researches, publications, conferences, lectures, college and city discussion groups, and information services. And it has sought to honor through its annual awards men and women who have served the cause of democracy—among them Mrs. Eleanor Roosevelt; Dr. Ralph J. Bunche, winner of the Nobel peace prize; Oscar L. Chapman, former Secretary of the Interior; John Dewey, philosopher and educator; Paul H. Douglas, Senator from Illinois; Thomas C. Douglas, premier of Saskatchewan, Canada; David Dubinsky, president of the ILGWU; the late William Green, late president of the A. F. of L.; John Haynes Holmes, pastor emeritus, Community Church; Sidney Hook, professor of philosophy, NYU; Hubert H. Humphrey, United States Senator from Minnesota; the late Philip Murray, late president of the CIO; Herbert H. Lehman, United States Senator from New York; Trygve Lie, former Secretary General of the United Nations; George Meany, president of the A. F. of L.; Wayne L. Morse, United States Senator from Oregon; Leland Olds, former Chairman of the Federal Power Commission; Walter P. Reuther, president of the CIO and of the United Auto Workers; Paul R. Porter, former United States Deputy for Economic Affairs in Europe; Clarence Senior, Latin American authority; and Dr. Selman A. Waksman, codiscoverer of streptomycin and winner of the Nobel prize in medicine.

John Dewey, foremost American philosopher and educator, was the league's honorary president for 11 years until his death in 1952.

Nathaniel M. Minkoff, secretary of the New York joint board, Dressmakers' Unions, ILGWU, is its president. Its vice presidents include Dr. John C. Bennett, professor of theology and ethics, Union Theological Seminary; Dr. John Haynes Holmes, of the Community Church, New York; President A. J. Hayes, president of the International Association of Machinists; Dr. Bryn J. Hovde, former president of the New School for Social Research; Dr. William H. Kilpatrick, professor emeritus of education, Teachers College, Columbia; Dr. Alexander Meiklejohn, former president of Amherst College; Vida D. Scudder, for years professor of English literature, Wellesley College; and M. J. Coldwell, Member of Parliament of Canada. Its board chairman is Mark Starr, prominent labor educator and author; its treasurer, Joseph Schlossberg, member of the Board of Higher Education, New York, and secretary-treasurer emeritus of the Amalgamated Clothing Workers of America; and its secretary and executive director, Dr. Harry W. Laidler.

Its board of directors, consisting of 75 members, include many educators, businessmen, labor and civic leaders, and members of the legal and other professions.

All believers in the strengthening of the democratic way of life are eligible to league membership. Prior to the spring of 1943, the stated object of the league was "education for a new social order based on production for use and not for profit." In that year, the membership voted to change the stated object to "education for increasing democracy in our economic, political, and cultural life." In making

this change, the members of the league wished to broaden its basis, and to make it doubly clear that the league's primary goal was education for a strengthened democracy in all phases of our life, rather than education for a particular type of social order.

Surely the league's object, educational activities, or officers and associates in no way, in our opinion, justify the type of attack to which the league was subjected, without notice, before the special investigating committee.

THE LID'S TAX-EXEMPT STATUS

Mr. Earl seeks in his report to show that the League for Industrial Democracy should not continue to be tax-exempt.

The LID received tax exemption in the twenties. In the early thirties, the Commissioner of Internal Revenue questioned this exemption as the league, a pioneering educational society, was, in the nature of the case, constantly dealing with social problems of a controversial nature.

The question of the educational character of the league was then argued before the United States Circuit Court of Appeals, in the case of Weyl versus the Commissioner of Internal Revenue. After examining the league's educational activities, the court handed down a decision on April 13, 1931, in favor of the LID in what has since been regarded as a decision of historic importance. In this case, the court declared:

(1) The sole question presented is whether the League for Industrial Democracy is an educational corporation within the meaning of the statute. The facts are not in dispute. The league makes researches, gives lectures, holds debates and discussions, promotes, by writing pamphlets, books, and helping to distribute them, giving information concerning economic and social problems. It is well organized, has substantial sponsors, and claims to have a definite social doctrine. It claims the best education is self-education, and considers that the best work it can do among the colleges is by voluntary groups which organize themselves in various colleges and seek the benefit of the publication of its information. The fact that its aim may or may not resemble that of a political party does not of itself remove it from the category of an association engaged in educational work.

(2) Congress did not include a definition of the term "education" as used in the act. In the absence of specific definition, the words are to be given their usual and accepted meaning. *Matter of Will of Fox* (52 N. Y. 530, 11 Am. Rept. 751). "Education" has been defined by the encyclopedia and dictionaries as "imparting or acquisition of knowledge, mental and moral training; cultivation of the mind, feelings, and manners." The definition given by the Funk & Wagnall New Standard Dictionary, volume 1, may be referred to: "Education, as understood today, connotes all those processes cultivated by a given society as means for the realization in the individual of the ideals of the community as a whole. It has for its aim the development of the powers of man (1) by exercising each along its particular line, (2) by properly coordinating and subordinating them, (3) by taking advantage of the law of habit, and (4) by appealing to human interest and enthusiasm. It includes not only the narrow conception of instruction, to which it was formerly limited, but embraces all forms of human experience, owing to the recognition of the fact that every stimulus with its corresponding reaction has a definite effect on character. It may be either mainly esthetic, ethical, intellectual, physical, or technical, but to be most satisfactory it must involve and develop all sides of human capacity."

The literature which the league distributes covers different authors and is of interest and information to students of political subjects and political economy. All is the subject of education.

The organization has no legislative program hovering over its activities. It is clear that, as Congress did not intend to use the word "education" in the statute in any exceptional sense, but giving it its plain, ordinary meaning, it is

applicable to this appellant's contributions, and the deduction should have been allowed.

On the basis of the league's educational activities, the Bureau of Internal Revenue, following the passage of the Revenue Act of 1938, also declared that the educational activities of the League—its researches, pamphlets, promotion of debates, and discussions relating to economic and social problems, etc.—entitled the League "to exemption under the provisions of section 101 (6) of the Revenue Act of 1938 and the corresponding provisions of prior revenue acts."

ACTIVITIES, 1953–54

During the last year the LID has conducted a number of valuable educational activities:

Forty-ninth annual conference.—One of these activities was the holding of its 49th annual conference. At this conference, held on April 9–10, 1954, at the Hotel Commodore, New York, we sought to analyze various currents in our economic system, and seek to discover what had been the restrictions imposed on free enterprise, and how we would at present best characterize our present economy.

The first round table of the conference was held on Friday evening, April 9, 1954. At this session we asked a variety of opinions on the impact on free enterprise of monopoly, partial monopoly, trade agreements, and Government subsidies and regulations initiated by business groups. The round table panel represented a variety of interests and points of view. On the panel were Theodore K. Quinn, former vice president of the General Electric Co. and author of Giant Business; Dr. Solomon Barkin, economist, author, research director, Textile Workers Union of America; Lee F. Johnson, executive vice president of the National Housing Conference; Aaron Levenstein, author and member of the staff of the Research Institute of America; and Mark Starr, author and labor educator.

Following a number of brilliant and searching papers on the problem of subsidies, trade agreements and regulation, and their effect on free competitive practices, there as a vigorous discussion within the panel and between the panel and the audience.

The second session on Saturday morning, April 10, dealt with the effect on free enterprise and a laissez faire economy of labor, consumer, and political action, President A. J. Hayes of the International Association of Machinists, gave a paper on what, in his opinion, had been some of the achievements of the trade union movement, and its impact on our economic system. Wallace J. Campbell, Washington director, Cooperative League, United States of America, described the development of the cooperative and other consumer movements. James Farmer, student field secretary, LID, gave a factual statement on some phases of social-security legislation, while George Soule, professor of economics, Bennington College, and former president of the National Bureau of Economic Research, gave an analysis of the types of industry that were and that were not subject to public regulation.

The final round table of the conference discussed the important problem, How To Prevent a Depression.

Here, as elsewhere, the league sought to obtain the benefit of various viewpoints on whether the present recession was likely to lead to a

depression, and what measures should be recommended to labor, business and governmental groups to avoid mass unemployment. The panel was opened by Dr. Geoffrey H. Moore, associate director of the National Bureau of Economic Research, who presented an analysis of hopeful and less hopeful trends in the present business cycle. Dr. Moore had for many years worked with Dr. Arthur F. Burns, now Chairman of the President's Council of Economic Advisers in the field of business cycles and is one of the Nation's foremost authorities on business trends. His address was printed almost verbatim in the financial section of the New York Times.

He was followed by Wesley F. Rennie, executive director of the Committee on Economic Development, a committee of prominent businessmen who had recently formulated an antidepression program for business and Government. Congressman Jacob K. Javits, Republican Congressman from New York, presented his program for maximum employment. Dr. Boris Shishkin, director of research, AFL, analyzed the census figures on unemployment, and Dr. Theresa Wolfson, professor of economics, Brooklyn College, dealt with the need of long-range planning as a means of stabilizing employment at a high level. Max Delson, New York City attorney, presided. An enlightening interchange among speakers and audience followed.

Between the round-table discussions the league held its annual luncheon, at which President George Meany, of the AFL, and Senator Wayne Morse received citations for their contributions to democracy, and John Dewey awards to former LID student leaders were presented to Dr. Wolfson and, posthumously, to Dr. Felix S. Cohen, lawyer, writer, teacher, champion of the rights of the American Indian. President Meany delivered a valuable address on the Challenge of International Communism, while Senator Morse urged that the country's legislators be kept better informed on the international situation.

The conference throughout was one of a highly educational character.

Pamphlets.—The LID has long been famous for its popular yet scholarly pamphlets on social and economic problems which are used extensively by labor education, labor, and civic groups.

The league has high standards for its educational pamphlets. It has an excellent pamphlet committee of which Mrs. Katrina McCormick Barnes (daughter of the late Senator Medill McCormick and the late Ruth Hanna McCormick), is secretary.

The committee carefully considers each manuscript, edits it for accuracy and language, and plans the pamphlet series. On the other hand, while endeavoring to choose authorities on particular subjects to prepare the pamphlets, the opinions expressed by the authors are their own and do not necessarily reflect the official point of view either of the pamphlet committee or of the league. In this respect, it is similar to the average book-publishing house.

During the last 2 years, the league has published a number of informative, educational pamphlets:

The Right To Make Mistakes, by George S. Counts, professor of education, Teachers College, Columbia—an examination of the errors in judgment of public figures in the last decade or so on domestic and international policy, and a plea for tolerance toward honest error and for freedom of inquiry and thought as an essential to the democratic way of life.

National Health Insurance and Alternative Plans for Financing Health, by Seymour E. Harris, professor of economics, Harvard University, a scholarly analysis of the economic and social problems involved in health insurance, national, and voluntary, by an economist who has given much thought to the problem of social security. The titles of the chapters indicate the types of problems dealt with: Chapter I—The Issues; Chapter II—The Cost of National Health Insurance; Chapter III—Can We Afford National Health Insurance?; Chapter IV—Insurance and Availability of Medical Resources; Chapter V—The Supply of Physicians; Chapter VI—The Problem of Financing the Medical Schools; Chapter VII—Voluntary Insurance; Chapter VIII—Voluntary Insurance Versus Federal Insurance; Chapter IX—Unresolved Issues; Conclusion; Postscript; Report on President's Commission.

The pamphlet has a foreword by Alfred Baker Lewis, president of the Union Casualty Co., and is carefully documented. The pamphlet has been praised for its scholarship and keen insights.

Taft-Hartley Act in Action, by Jack Barbash. In this pamphlet, Mr. Barbash, formerly research director of the United States Senate Subcommittee on Labor and Labor Management, and author of Labor Unions in Action, has described the evolution of collective-bargaining legislation and the chief provisions of the Taft-Hartley Act, compared the two acts, presented criticisms of Taft-Hartley and presented a "design for Taft-Hartley changes." The pamphlet contains an extensive list of references, and a selected bibliography. It has been described "as the best short treatise on Taft-Hartley thus far written."

Forward March of American Labor, by Theresa Wolfson, professor of economics, Brooklyn College, and Joseph Glazer, educational director, the United Rubber, Cork, Linoleum, and Plastic Workers of America. Illustrated. This is an educational pamphlet giving a brief, concise, accurate history of the American labor movement especially prepared as an educational pamphlet for newcomers in the labor movement. It is now in its fourth printing, and is being revised and brought up to date. It has been checked and rechecked for accuracy and is extensively used by labor and educational groups.

Democratic Socialism—A New Appraisal, by Norman Thomas. A restatement by the well-known authority on American socialism of what democratic socialism is, and how its goals have been changed as a result of the economic, political, and social developments and social experiences of the past few decades. It was regarded as so valuable a contribution that, besides the press publicity, it was discussed on The Author Meets the Critic television show—the first pamphlet to be so treated.

World Labor Today, by Robert J. Alexander, professor of economics, Rutgers College. This is a careful, factual study by a student of the world labor movement of the development of the postwar labor movement throughout the world—in Western and Eastern Europe, the Middle and Far East and the Americas, with an estimate of trade-union membership, selected references and bibliographical notes.

Student activities.—The LID has continued during the year its educational activities on college campuses. The league since its foundation has sought to stimulate young men and women in the colleges to obtain an understanding of the great social issues of their day, and to do their part, after their college days were over and while in college

to help in the solution of these problems. It has never sought to commit the students to any political or economic doctrine, but has urged them to seek their own solutions. As a believer in democracy, it makes ineligible to membership advocates of dictatorship. Its SLID constitution reads:

> By virtue of the democratic aims of the league, advocates of dictatorship and totalitarianism, and of any political system that fails to provide for freedom of speech, of religion, of assembly, and of political, economic, and cultural organization; or of any system that would deny civil rights to any person because of race, color, creed, or national origin, are not eligible for membership. Nor are those eligible whose political policies are wholly or largely determined by the policies laid down by the leaders of a foreign government.

The league has a proud record of achievement in helping to start young men and women on careers of public service, as the catalog of its former student leaders will indicate.

Of the league's educational work in the college field in the past, Prof. George S. Counts has the following to say:

> Since its founding in 1905, the League for Industrial Democracy, in my opinion, has done more than any other organization in arousing the social conscience and advancing the political understanding of students in our colleges and universities. From the beginning it has opposed all forms of bigotry, obscurantism, and totalitarianism and remained true to the inscription on its masthead, "education for increasing democracy in our economic, political, and cultural life." It is dedicated without reservation to that sublime faith in the human mind which is the foundation of foundations of free society in all ages.

Prof. Sidney Hook, chairman of the department of philosophy, New York University, has written recently:

> The SLID has been one of the most fruitful forms of extracurricular educational activity on the campus. It has supplemented, and sometimes supplied where it was missing, the intellectual stimulus and motivation to explore the problems of social philosophy and organization in the liberal arts college.

During the past year, James Farmer, the Student League's field secretary, visited many college campuses, lectured on labor and social problems before assemblies, college classes, and student groups, and organized college discussion groups. Mr. Farmer, as is indicated by the letters which the league receives, is noted for his knowledge of social and labor problems, his clarity of expression, and his educational approach.

The following was received from a member of the faculty at Central Michigan College:

> I should like to express my appreciation and that of my students, for the excellent talks presented for us by Mr. James Farmer, of your organization.
> Mr. Farmer exhibited a degree of command of his subject and of control of his audience that is rarely combined in one individual. He appeared to be "up" on the best relevant sociological knowledge, and was able to present it in a thoroughly stimulating manner.

A professor of sociology of an Indiana college writes:

> James Farmer has just left for Chicago. He did a superb job on this campus in the course of 2 days. His chapel address was enthusiastically received by students and faculty alike and his talks in our classes were equally effective.
> Only a talented, dedicated person could speak so many times in so short a period and scarcely repeat himself.
> Please know how grateful I am to you and the LID for making it possible for Mr. Farmer to visit our campus. His message is urgently needed.

From an associate professor of Christian ethics, University of Southern California.

I am glad to supply my reactions to the address by James Farmer to our students. Mr. Farmer did an excellent job of summarizing some of our basic contemporary problems and of stimulating thought aimed at a constructive conclusion. His ability at analysis and careful clear presentation is marked. I hope that you will continue to use him in situations which utilize his outstanding talents.

A partial list of lectures given by Mr. Farmer this last year appears on accompanying sheets.

The SLID, in its various college chapters, emphasizes democratic, undogmatic discussion, and does much to stimulate debates and symposia where different points of view are represented. Thus the Yale John Dewey Society, a branch of the SLID, this spring held a debate on compulsory health insurance. Dr. D. Olan Meeker, chairman of the committee on national legislation of the Connecticut State Medical Society, opposed a system of national health insurance, while Dr. Theodore Sanders, of New York, a member of the executive board of the Committee for the Nation's Health, favored it.

The chapter also arranged a debate between Mark Starr, labor educator, and John Welch, assistant treasure of a local textile company and consultant on labor relations on "Are trade unions too powerful?"

Its last meeting this spring was a panel discussion on Indochina, with a number of different points of view represented by Prof. Walter Sharp, director of graduate studies in international relations, Yale; N. Duc Thanh, president of the American Vietnamese Foundation; Jean Levy, a French Fulbright student; Stephen Reid, director of southeast Asian studies, and Milton Sacks, assistant in research in southeast Asian students. Another meeting was addressed by Norman Thomas.

Following each lecture, debate, and panel discussion, students and faculty are invited to participate. E. Wright Bakke, professor of economics; Brand Blandshard, professor of philosophy, and Prof. Carlton R. Rollins are faculty advisers.

The strictly educational character of the student LID is also indicated in the roundtable discussion in this May 7 and 8 SLID conference on The Patterns of Social Reform in North America, at the center of the Carnegie Endowment for International Peace. At this conference the students selected as topics for discussion, Social Reform and the Conflict of Rural and Urban Values, The Role of the Trade Unions in Social Reform, and Social Reform and the Communication of Ideas. Among the participants in these roundtables were C. Wright Mills, associate professor of sociology, Columbia University; Daniel Bell, labor editor of Fortune; Felix Gross, associate professor of sociology, Brooklyn College, and professor of public affairs, NYU; Mark Starr, educational director, ILGWU, and coauthor of Labor in America; S. Martin Lipsit, associate professor, Columbia; Thomas Brooks, assistant trade union editor; Colin Cameron, Canadian member of Parliament, and several students. The discussions were informal, and no resolutions were passed.

During the winter and spring of 1953–54 in New York, the student members of the LID organized a number of meetings dealing with democratic developments in specific countries in Europe, Latin America, Africa, and Asia, addressed by Dr. Robert J. Alexander, of Rutgers; Joseph Monserrat, director, New York office, Puerto Rico Department of Labor; S. Atmono, of the Indonesian consulate; and others, including some graduate students.

This summer the student LID is organizing a tour to Saskatchewan, Canada, to study the farmers' cooperative movement and the activities of the CCF government; is sending student helpers to the CIO Institute at Port Huron, Mich., and scholarship students to the Summer Institute for Social Progress at Bard College, and is organizing an educational conference near Peekskill, N. Y.

City chapters.—The LID also organizes and conducts city branches, of which the New York chapter is the largest.

The meetings and affairs of the chapter during the last year were in brief as follows:

February 8, 1953: Award to Charles Abrams, housing expert. Speakers: Supreme Court Justice Bernard Botein; Helen Hall, director, Henry Street Settlement; Stanley M. Isaacs, member New York City Council; Alvin S. Johnson, president emeritus of the New School; Lee Johnson, executive vice president, National Housing Conference Theodore McGee, chairman of the Columbus, Ga., Housing Authority; William C. Vladeck, president, Citizens Housing and Planning Council; Walter White, secretary, National Association for the Advancement of Colored People; Benjamin Naumoff and Dr. Harry W. Laidler, chairmen.

The March 1953 programs dealt with Crime, Health, and Welfare in New York City. Among participants were Dr. George Baehr, president of the Health Insurance Plan of Greater New York; Henry L. McCarthy, commissioner of welfare, New York; Helen Harris, executive director, United Neighborhood Houses; Dorothy Dunbar Bromley, radio commenator; Dr. Ernst Papanek, director of Wiltwyck School; and Benjamin Naumoff, president of the chapter.

June 20, 1953: The Crisis in the U. N. Speaker: Clark M. Eichelberger, national director, American Association for the U. N. (at garden party).

October 14, 1953: The Struggle for Democracy versus Totalitarianism in Europe and Latin America. Participants: Amicus Most, formerly chief of the Industry Department, ECA in Germany; M. J. Coldwell, Member of Parliament of Canada; Jacques de Kadt, Netherlands, Member of Parliament; Serafino Romualdi, AFL representative in Latin America; Norman Thomas, chairman.

November 14, 1953: Tour of chapter members to U. N.

November 15, 1953: Recent Developments in Britain. Speaker: Austen Albu, Member of Parliament, president Fabian Society, and former deputy director, British Institute of Management.

December 11, 1953: Annual awards of chapter. Presentation of citations to George S. Counts, professor of education, Teachers College, Columbia; and Dr. Abraham Lefkowitz, principal, Samuel Tilden High School "for their outstanding contributions to education and civic progress." Drs. Counts and Lefkowitz delivered addresses, respectively, on The Right To Be In Error and on The Menace to Freedom. The award to Dr. Lefkowitz was given by Dr. William

Jansen, superintendent of schools, New York, and to Dr. Counts by Dr. George E. Axtelle, professor of education, NYU. Other participants were Dr. John L. Childs, professor of philosophy of education, Columbia; Dr. William H. Kilpatrick, foremost American educator; Mark Starr, labor educator, and Rebecca C. Simonson, teacher and vice president, American Federation of Teachers.

January 30, 1954: Tour to International Center of Carnegie Foundation and to Gold Coast Exhibition.

February 11, 1954: Cross Currents in Israel, Egypt, and the Far East. Participants: Prof. George E. Axtelle, recently returned from Egypt; and Louis Yagoda, former chief of CARE Mission in Israel.

May 12, 1954: Reception to Margaret Cole, author, member London County Council, honorary secretary, Fabian Society.

June 5, 1954: A tour to Miltwyck School and to Hyde Park.

June 19, 1954: Dictatorship versus Democracy in Latin America. Participants: His Excellency the Rev. Benjamin Nunez, Ambassador of Costa Rica to the U. N.; Dr. Balmore Rodriguez, former president of the Zenezuelan Senate; Frances R. Grant, secretary-general, United States Committee of the Inter-American Association for Democracy and Freedom.

The chapter also held monthly radio programs over WEVD on economic, social, and civic questions.

The league stimulated much research during the year in connection with its meetings, radio broadcasts, and pamphlets and served as an informal information center on economic problems.

I have carefully read the report of Mr. Ken Earl on the League for Industrial Democracy, and the discussion before your committee on that report.

May I try to appraise both the report and Mr. Earl's observations before the committee. In the first place, there is an assumption throughout Mr. Earl's discussion that if an organization deals with economic, social, or political problems the solution of which necessitates legislative action, such discussion is political rather than educational.

On page 1748 of the report of the committee's discussion, Mr. Earl, for instance, mentions the fact that Dr. I. S. Falk, Director of Research and Statistics of the Social Security Board, gave a talk at our 1943 conference on the system of social insurance in this country and asked that it be strengthened. The address did not advocate the passage of any specific piece of legislation.

Mr. Earl remarks that he is not arguing whether the system of social insurance should or should not be strengthened, but that social insurance was a political subject, and thus, by implication, should not be discussed by an educational body.

The Moses Lake attorney infers the same thing about the items mentioned in the league's executive director's report in early 1953, in which, without mentioning any bill before Congress, or without engaging in any type of lobbying, the executive director enumerated some things that he believed should be considered in the field of conservation, social security, labor legislation, economic stability, housing, education, civil liberties, racial relations, corruption, foreign policy, trade unionism, and cooperation.

If, of course, the discussion of economic and social problems ceases to be educational because these problems have, in part, to find their

solution in some type of legislative action, all courses in political science, economics, and sociology given in college would necessarily be regarded as political, not educational, for today, with legislative and governmental bodies passing legislation on all matters that concern the life of the community, there is no question that does not have a political angle. If a college course or an educational organization deals with corporations, the professor must discuss antitrust and regulatory legislation. A discussion of trade unions and labor problems necessarily involves a discussion of collective-bargaining legislation. A course or conference on the problem of economic stability, must, unless the discussion deals with pure theory, bring in the question of public works, social-insurance legislation, governmental financial controls, taxation, minimum wages, tariffs, international cooperation, political alinements, and a host of other problems that have political overtones and are subjects of legislation. A course on or discussion of comparative economic systems must, to be complete, involve the question as to how one economic order, through democratic legislative process, might evolve to another economic order. The discussion does not cease to be educational in the sense of the provisions of the internal revenue law, if it is directed to the enunciation of principles and procedures which may sooner or later be incorporated into the law of the land. Otherwise all courses in college dealing with the social sciences would have to be regarded as political, not educational, in their nature, and the college would, by that token, cease to be educational, at least insofar as the teaching of the social sciences was concerned. The same thing could be said about very many tax-exempt organizations interested in one or more social abuses which require legislation to correct.

Of course the educational character of the colleges and of the courses they give in the social sciences has long since been established, and such discussions cannot be regarded as educational if they are held in our colleges, and political if they are held at meetings or in publications outside of academic halls. The books and pamphlets published by the league that are used in college courses cannot be regarded as educational in the classrooms and political in LID groups.

Mr. Earl's charge against the league that it is primarily political, not educational in its nature is vitiated not only by his too restricted definition of education, but by a number of other false assumptions and techniques, the use of which in a college essay would, I fear, have been severely criticized in any class.

I. False assumption No. 1: The first false assumption is that the activities and point of view of an educational organization in 1954 can be judged by its alleged activities 22 years before. Instead of analyzing the league's activities during the past season, Mr. Earl, near the beginning of his 39-page report, devotes 9 pages to expressions of opinion of a student magazine issued in 1932, the assumption being that these opinions represent those of the LID in the year 1954.

The extremely small degree of merit in this assumption is indicated by the following facts:

(1) First, that the publication referred to, Revolt, was not edited or published by the league proper, but by the Intercollegiate Council which had its own executive committee, and the league assumed little or no responsibility for its editorial policy;

(2) Second, that the Intercollegiate Council, while providing a free forum for the discussion of social problems by students and

others, did not hold itself responsible for all of the conflicting opinions expressed in its magazine;

(3) Third, that the stated object of the league was a different one in 1954 than in 1932, the league members having changed that object in 1943 from "education for a new social order based on production for use and not for profit" to "education for increasing democracy in our economic, political, and cultural life"; and

(4) Finally, that the economic and psychological situation in 1932 differed widely from the situation today, as was so vividly brought out by Congressman Hays and others at the hearings of June 15 and 16. In 1932, the country was in the midst of the greatest depression in its history; hundreds of thousands of white-collar workers, including many college graduates, were unemployed; many banks were closing up; the Government seemed to be doing little to grapple effectively with the unemployment problem, and many economists and others were predicting that the economic order was on the verge of collapse.

Moreover, the rising tide of fascism and nazism in Germany due, in part, to the great insecurity of white-collar and industrial workers after World War I, inclined many young people to think that, unless something was done in America to give employment to millions of jobless, fascistic demagogs might arise in this country.

The social reforms of the thirties and the preparations for war and World War II in the late thirties and early forties eliminated mass unemployment, and many of the fears of college students and others entertained in 1932 were found to be groundless. The young writers revised their economic and social outlook, and several of them became distinguished and most valuable public servants. It might be interesting in this connection that one of the writers for the September 1932 issue of Revolt, which Mr. Earl failed to mention, was J. B. Matthews, who soon after took a turn to the left, followed by one to the right.

II. A second assumption of Mr. Earl which has little or no validity is that the expressions of opinion on an international problem by 1 of the 75 members of the board made a decade ago—even an opinion at wide variance with that which the member holds today—necessarily reflects the opinion today of the LID. Mr. Earl has devoted 2½ mimeograph pages (pp. 20–22) to Alfred Baker Lewis' Liberalism and Sovietism. The pamphlet was not published by the LID, but by another anti-Communist organization. It gives a graphic account of the rising imperialism of Russia, as shown in its policy in Iran, the Balkans, Manchuria, and so forth, declares that "totalitarian dictatorships such as Russia are aggressive, that appeasement will not work, and that liberals should not form a united front with Communists. Toward the very end, however, Mr. Lewis expresses the hope that Russia's imperialism may conceivably be less aggressive in the future.

Mr. Lewis was too optimistic concerning the possibility in the commensurate future of Russia's dropping an aggressive policy. He was not so optimistic as General Eisenhower appeared to be on June 15, 1945, when he declared in Paris at a press conference, "There is nothing in my experience with the Russians that leads me to feel that we can't cooperate with them perfectly," and when, in November 1945, he sent a letter of good will to the National Council of American-

Soviet Friendship wishing it "the utmost success in the worthy work it has undertaken," but more optimistic than events have shown was justified and his position is of course a different one today. However, whatever position he took in 1946 was quite irrelevant to Mr. Earl's thesis, since the pamphlet was not an LID publication and the league was not bound by it. No one in his right mind could claim that an organization in which General Eisenhower functioned in 1945 was today bound by the opinions which he expressed 9 years ago on our future relations with Soviet Russia, opinions which he now finds to have been unjustified by recent events.

III. Another assumption of Mr. Earl that has little validity is that scattered excerpts from pamphlets published by the LID and of speeches delivered at league conferences necessarily portray the true character of the entire pamphlet or speech.

Many readers of these excerpts, I fear, would obtain an entirely false impression of the educational character of much of the league's literature.

The paragraphs devoted to the pamphlet, Toward a Farmer-Labor Party, published in 1938, but now practically out of print, gave little indication of the educational character of this pamphlet—its factual information on the history of minority parties; the reasons for their successes and failures; the problems confronting them; the concrete developments in farmer-labor political action in the late thirties in numerous States in the Union and the forces for and against their development, followed by a carefully selected bibliography. Nor do the excerpts on Russia—Democracy or Dictatorship? give any concept of the carefully checked facts presented in this pamphlet by Dr. Joel Seidman, now of the economics department of the University of Chicago, and Norman Thomas, on the Soviet dictatorship, facts gathered from many sources with infinite patience and industry at a time when such facts were difficult to gather. The pamphlet presents one of the most unanswerable indictments of Soviet dictatorship appearing in pamphlet form up to that time, but the excerpts printed give little indication of the true character of this pamphlet. The same is true of the paragraphs presented in the report culled from the pamphlet, Toward Nationalization in Industry. The reader of the report is given little idea of the factual material presented from authoritative sources on the industries discussed, and the arguments that are marshaled.

It might be added that all of the above pamphlets just referred are practically out of print. The league would like to revise them thoroughly in the light of recent developments, but unfortunately has not had the finances to prepare and publish such revisions.

Mr. Earl tries another technique when referring to the league's most popular pamphlet among trade unionists, The Forward March of American Labor. He does not criticize any of the facts given in this brief and popular history of the trade-union movement of the United States written by Dr. Theresa Wolfson, professor of economics, Brooklyn College, and by Joseph Glazer, educational director of a labor union—a pamphlet found most educational particularly by newcomers in the labor movement and by introductory students of labor.

Here Mr. Earl seeks to discredit the pamphlet by declaring that it possesses a "remarkable series of cartoons which, in the year 1953,

strike an impartial reader as a crude effort to discredit today's business with faults long since corrected."

After reading this criticism, I reviewed the cartoons and found that each one referred to a certain period in the development of labor; were true of conditions in that period and made it evident to the ordinary reader to what decade it referred. Thus the first cartoon, dealing with child labor, and portraying a child worker and an employer, reads, "Two-fifths of all the people employed in Massachusetts in 1832 were under 16." The second said, "Workers demanding tax-supported schools were stoned in Boston in 1830." The third presented a picture of Abraham Lincoln, father of the Republican Party, and a quotation from him, "If any man tells you he loves America, yet hates labor, he is a liar. If any man tells you he trusts America, yet fears labor, he is a fool."

In practically every cartoon, the dates are given. Only two cartoons referring to conditions in the 20th century present pictures of employers. One deals with the use of detective agencies, with a caption, "The General Motors Corp. and its divisions spent $994,855 for detective agency services from January 1934 to July 1936." The text makes it clearly evident that practices of that type have largely disappeared as a result, by the way, of the constant fight against it by hosts of Americans, including members of the LID working in trade unions and through educational and political channels. Another deals with the rise in corporate profits from 1936 to 1944. The cartoons, drawn by Bernard Seaman of the Hat Worker, are throughout, I believe, fair to the spirit and condition of the times.

IV. A fourth assumption of Mr. Earl seems to be that one way of discrediting a conference of the league is to make a broad generalization as to the alleged political composition of its participants. Thus, in characterizing the league's conference at the Hotel McAlpin in 1943, he declares:

> The conference * * * brought together a number of labor leaders, Socialist professors, and foreign politicians. They met to emphasize the need for postwar planning if the free world was to be spared mass unemployment and depression. The presence of so many Socialist leaders from abroad emphasized the reality of the world movement against capitalist society, a movement in which allies join hands across national frontiers to combat their own countrymen.

After reading these sentences, I glanced again over the participants of the conference, which was devoted to a discussion of The Third Freedom: Freedom from Want. I find that the Right Honorable Arthur Greenwood, who, when member of the British war cabinet, had initiated the preparation of the Beveridge report on social insurance, had broadcast from Great Britain a short message in which he had declared that—

> Freedom of the spirit is mankind's greatest need and dearest hope. We must preserve that spirit. We must also free mankind from want. Broken, beaten, impoverished, and underfed bodies, wracked by physical suffering and tortured minds, are not worthy temples of the human spirit.

We also had a short address by the Honorable Margaret Bondfield, the first woman Minister of Labor in Britain, on The Beveridge Plan and International Trade. Miss Bondfield, who happened to be in this country at the time, was the only foreign Socialist leader present at and participating in this conference, and was invited because of her

intimate knowledge of the British social insurance system. A Professor Underhill, professor of history at the University of Toronto, was, it is true, a member of the Canadian Cooperative Commonwealth Federation, but was hardly one of its political leaders. Of the 27 participants in the conference discussions, not more than 1 chanced to be a member of the Socialist Party of the United States as far as I am aware. Practically all were Government experts on social insurance, college professors, labor, social welfare, and church leaders. All except 1 of the 27 participants dealt with the immediate questions involved in bringing about greater social security. One of the twenty-seven presented the claims of democratic socialism to a round-table audience. Not one urged the passage of a particular bill before Congress. The discussion was in general of a high order.

It would have been difficult for Mr. Earl to have found the contingent of Socialist leaders from abroad. On the other hand, Mr. Earl would have found as speakers a number of distinguished students of the problem of economic security, including, outside of Miss Bondfield, Dr. Carter Goodrich, professor of economics, Columbia University, and the chairman of the governing body, International Labor Office; Dr. Eveline M. Burns, then Director of Research, Security, Work, and Relief Policies, National Resources Planning Board, and author of an authoritative volume, Toward Social Security; Dr. L. S. Falk, Director, Bureau of Research and Statistics, Social Security Board; Henriette C. Epstein, vice president of the American Association of Social Security; Dr. Arne Skaug, Director of the Norwegian Government Disability Service, and then teaching at the University of Wisconsin; Donald H. Davenport, Chief of the Employment and Occupational Outlook Bureau of the United States Department of Labor Statistics; Alfred Baker Lewis, now president of the Union Casualty Co.; Donald S. Howard, assistant director of the charity organization department of the Russell Sage Foundation, and author of The W. P. A. and Federal Relief Policy; Dr. Herman A. Gray, then chairman of the New York State Unemployment Insurance Advisory Committee; E. J. Coil, director of the National Planning Association; Charles Abrams, housing expert; Ellis Cowling, educational director of the Consumers Cooperative Services; Charles C. Berkley, executive director of the New York Committee on Discrimination in Employment; F. Ernest Johnson, executive secretary, department of research and education, Federal Council of Churches; Rabbi Ephraim Frisch, former chairman, commission of justice and peace, Central Conference of American Rabbis; Leroy E. Bowman, now professor of sociology, Brooklyn College; Robert J. Watt, international representative, AFL; R. J. Thomas, then president of the UAW–CIO; Nathanial M. Minkoff, secretary-treasurer, New York Joint Board ILGWU; Prof. John L. Childs, profession of philosophy of education, Teachers College; Mark Starr, labor educator; Jack Barbash, then of the staff of the United States Office of Education, and others.

Mr. Earl, in the final pages of his report seems to object to the LID because, according to him, it is continuing "to fill the air with propaganda concerning socialism" and "stumping for certain legislative programs." Though the LID believes that an educational program which gives the truth about socialism is in every sense legitimate, the picture of conferences of the LID painted by Mr. Earl is, it seems to me, a far cry from the type of conferences which the LID is holding.