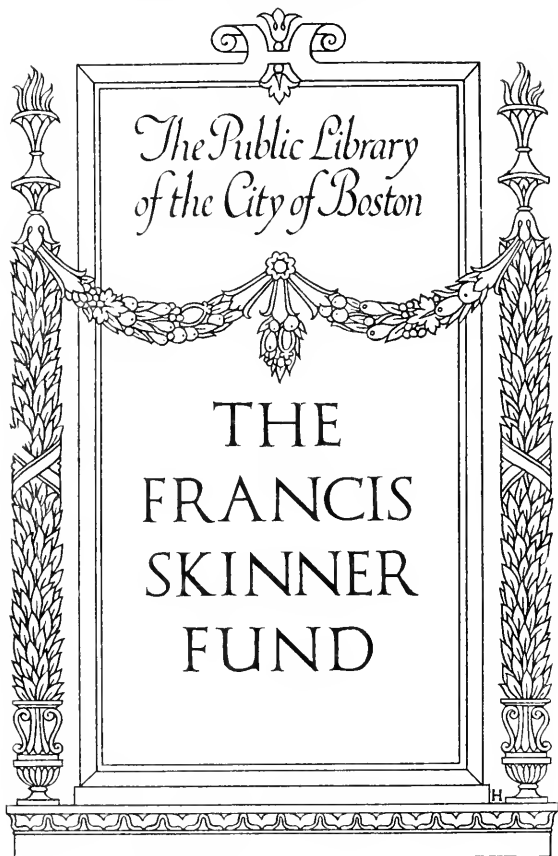


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THE ROLE OF THE COMMUNIST PRESS IN
THE COMMUNIST CONSPIRACY

HEARINGS
BEFORE THE
COMMITTEE ON UN-AMERICAN ACTIVITIES
HOUSE OF REPRESENTATIVES

EIGHTY-SECOND CONGRESS
SECOND SESSION

—
JANUARY 9, 10, 15, 16, AND 17, 1952
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FOREWORD

The hearings contained in this volume reveal the activities of two American-born international Communists, Max and Grace Granich.

Max and Grace Granich were sent to Shanghai, China, in 1936 by the Communist Party of the United States to establish, edit, and publish a Communist propaganda organ in that city to be circulated throughout the entire Far East. The Granichs proceeded to Shanghai and, from March 1936 until the first week in November 1937, published a Communist propaganda organ in Shanghai called *The Voice of China* in accordance with instructions received by them from the Communist Party.

After encountering repeated difficulty with Chinese and French authorities in the Shanghai area, as well as with postal authorities throughout the Far East, the Granichs were recalled to the United States by the Communist Party. The Communist Party had made arrangements for the Granichs to be relieved of their duties, in an effort to attempt to keep *The Voice of China* in operation. The Granichs' successor, however, never arrived in China because of the outbreak of war in that country in 1937.

Following the return of the Granichs to the United States, the Communist Party used Grace Granich particularly to great advantage when they devised a method by which they could avoid the requirements of the Foreign Agents' Registration Act. This was at a time when the *Daily Worker*, official organ of the Communist Party in the United States, was endeavoring to conceal its affiliation with the Communist Party and the Communist Party was endeavoring to conceal its connection with the Communist International in Moscow. Such a disclosure of the *Daily Worker* was imminent because of the Foreign Agents' Registration Act and some means had to be devised to circumvent the requirements of said act.

Grace Granich, therefore, at the direction of the leaders of the Communist Party in this country, established the Inter-Continent News Service in New York City in March 1941. Inter-Continent News Service, as operated by Grace Granich, was a device used by the *Daily Worker* and the Communist Party to obtain party information and directives from the Communist International in Moscow.

Likewise, Grace Granich was instructed to register her news service as an independent business organization in this country, as an agent of a Moscow principal, thereby diverting attention away from any public connection between the *Daily Worker* and Moscow. Immediately prior to the establishment of Inter-Continent News Service, Grace Granich had been working at Communist Party headquarters in New York City, then located at 35 East Twelfth Street. When she embarked on this new mission for the Communist Party, she was told that her offices should be removed from Communist Party headquarters in order that there should be no indication of any connection between her agency and the Communist Party.

The Committee on Un-American Activities received testimony to the effect that Inter-Continent News Service, as operated by Grace Granich, received all Communist Party directives and policy instructions directly from Moscow which, in turn, were passed on to the editor of the Daily Worker and to the Politburo of the Communist Party, United States of America.

All cablegrams received or sent by the Inter-Continent News Service were paid for by the People's Commissariat of Communications of the Soviet Union, located in Moscow, and, other than a small remuneration from the Daily Worker and the Morning Freiheit, also a Communist organ in this country, the operation of this so-called news service was completely subsidized by Moscow.

The value of this service to the Communist Party in the United States was estimated to be in the thousands of dollars per year.

THE ROLE OF THE COMMUNIST PRESS IN THE COMMUNIST CONSPIRACY

WEDNESDAY, JANUARY 9, 1952

UNITED STATES HOUSE OF REPRESENTATIVES,
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, D. C.

PUBLIC HEARING

The Committee on Un-American Activities met pursuant to call at 10:45 a. m., in room 226, Old House Office Building, Hon. John S. Wood (chairman), presiding.

Committee members present: Representatives John S. Wood, Francis E. Walter, James B. Frazier, Jr., Harold H. Velde, Bernard W. Kearney, Donald L. Jackson, and Charles E. Potter.

Staff members present: Frank S. Tavenner, Jr., counsel; Thomas W. Beale, Sr., assistant counsel; Courtney E. Owens, investigator; John W. Carrington, clerk; and A. S. Poore, editor.

Mr. Wood. The committee will be in order.

Let the record disclose that there are present as members of the committee, Messrs. Walter, Velde, Kearney, Potter, Frazier, and Jackson.

Mr. TAVENNER. Mr. Chairman, the hearings which are to be conducted for the next 2 days of this week and then several days during next week have grown out of the testimony of Gen. Charles A. Willoughby before this committee.

On August 23, 1951, General Willoughby testified for this committee as follows:

Affiliated with the Communist-front, American League Against War and Fascism, the American Friends of China published its own monthly magazine, *China Today*, which was pro-Communist. The American group also sponsored a Shanghai publication of similar nature, the *Voice of China*, published by Max and Grace Granich. This paper was published from March 1936 until the latter part of 1937. Although not overtly a Communist publication, it portrayed the Chinese Communists as the only defenders of Chinese independence and resistance to the Japanese. The magazine was suppressed after more than 18 months of existence, and the Graniches returned to the United States December 21, 1937.

Additional information contained in the Shanghai police files subpoenaed by this committee reflects some of the circumstances under which the *Voice of China* was edited and published by Max Granich and Grace Granich. The first phase of the hearings, which will take place today and tomorrow, will be devoted to an investigation of these matters revealed by the Shanghai police files.

Now, during the preliminary investigation conducted by the staff relating to the first phase of these hearings, leads were developed showing alleged participation at a later date by Grace Granich and a strategic plan of the Communist Party to make available to the

Daily Worker and the Communist Party information and instructions having their origin in Moscow, at the time when the Daily Worker and the Communist Party of the United States were publicly disavowing all connection with Moscow and the Communist International.

These matters will be the principal subject of the second phase of the hearing.

I would like to call as the first witness, Mr. Courtney Owens, one of the investigators of the committee.

Mr. WOOD. Will you raise your right hand, Mr. Owens, and be sworn, please, sir?

Do you solemnly swear the evidence you will give this committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. OWENS. I do.

Mr. TAVENNER. What is your name, please?

TESTIMONY OF COURTNEY E. OWENS, INVESTIGATOR, HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. OWENS. Courtney E. Owens.

Mr. TAVENNER. What position do you hold with the Committee on Un-American Activities.

Mr. OWENS. I am an investigator for the committee.

Mr. TAVENNER. How long have you been so employed?

Mr. OWENS. Approximately 3½ years.

Mr. TAVENNER. Mr. Owens, foot lockers containing official files of the Shanghai police were produced before the committee and marked as exhibits for identification only, by Gen. Charles A. Willoughby.

You have been requested to extract from these exhibits all documents relating to Max Granich, Grace Granich, the Eastern Publishing Co., and the publication known as the Voice of China. Have you done that?

Mr. OWENS. Yes, sir.

Mr. TAVENNER. Will you please present for the present use of the committee the documents you have extracted?

Mr. OWENS. These (indicating) are all of the Shanghai police reports and files which relate to the subjects just mentioned by you.

Mr. TAVENNER. Those are all of the documents found in the exhibit which relate to the subject?

Mr. OWENS. These were taken from both foot lockers and different volumes contained in the foot lockers.

Mr. TAVENNER. Will you please relate what the files reveal concerning the arrival of Max Granich and Grace Granich in China?

Mr. OWENS. On January 31, 1936, Max Granich, accompanied by his wife, Grace Granich, arrived in Shanghai from San Francisco, Calif., aboard the steamship *President Taft*.

A report of the Shanghai police shows that in the alien declaration form executed by Max Granich, he stated that he was a journalist by profession and was on a visit to Shanghai, where he would remain for an indefinite period.

On February 27, 1936, C. E. Gauss, American consul general, wrote the commissioner of police at Shanghai, advising that Mr. Max Granich, an American citizen residing at Cathay Mansions, recently

called at the consulate general and stated that he is the sole owner of the Eastern Publishing Co., 749 Bubbling Well Road, Shanghai, and that Mrs. Granich, also an American citizen, is engaged with her husband in business stated to be "news syndicate, picture service, publishing."

The consul general then proceeds to request that his office be advised whether the commissioner of police has any information regarding the activities of these two persons.

This letter was answered by the commissioner of police on March 12, 1936, wherein he supplied the consul general with all information available to him at that time; namely, the dates of the arrival of Mr. and Mrs. Granich, and the residences that they had occupied since their arrival.

MR. TAVENNER. Do the files reflect that Mr. Granich made a declaration in writing of the purposes for which the Eastern Publishing Co. was established?

MR. OWENS. Yes; there is in the file a document purporting to be a copy of such a declaration.

MR. TAVENNER. Will you present it, please?

I desire to offer the document in evidence and ask that it be marked "Owens Exhibit No. 1."

MR. WOOD. Let it be so marked, and received.

(The document referred to was marked "Owens Exhibit No. 1." and received in evidence.)

MR. TAVENNER. Will you read it, please?

MR. OWENS. This is a letter to the consul general by Mr. Granich. I am reading. It is dated March 11, 1936.

DEAR SIR: Confirming our recent conversation, this is to advise you that the Eastern Publishing Co., which I have formed, will collect material for publications abroad, translate the literary works of modern Chinese authors, and establish a picture and news service for the United States and other countries. To further these ends, I also expect to publish a magazine here, dealing with various phases of Chinese life and culture. Trusting this gives you the information you desire, I am

(Signed) MAX GRANICH.

MR. TAVENNER. In other words, the notice or declaration given by Mr. Granich was to the effect that the magazine he proposed to publish would be of a cultural nature or character?

MR. OWENS. Yes, sir.

MR. TAVENNER. Will you please continue with the chronological statement of the activities of Max Granich and Grace Granich as reflected by the Shanghai police files?

MR. OWENS. On March 20, 1936, the American consul general, Mr. Gauss, in a letter to the commissioner of police at Shanghai, requested the commissioner to provide him with any further information that he may have obtained relating to Max and Grace Granich.

Also under date of March 20, 1936, there appears in the files a Shanghai municipal police memorandum revealing that Max Granich located the offices of the Eastern Publishing Co., at 749 Bubbling Well Road and began publication of a semimonthly periodical entitled "The Voice of China." This report states that the Eastern Publishing Co., had been registered at the United States consulate. The report continues that the periodical is written in English, and that 2,000 copies of the first issue, dated March 15, were printed by the Mercury Press, No. 17 Avenue Edward VII, for sale in Shanghai and abroad.

Mr. TAVENNER. At that point, may I interrupt you?

Does your subsequent investigation show that the Mercury Press was an American printing firm?

Mr. OWENS. That was an American printing firm, located in the French Concession in the International Settlement.

According to reports subsequent to March 15, the Shanghai police continued to maintain observation of Mr. Granich and his activities and his publication.

Later, the Chinese Ministry of Judicial Administration received a dispatch dated April 13, 1936, from the Statistical Bureau of the Military Committee of the Nationalist Government.

Mr. TAVENNER. That is, the Nationalist Government of China?

Mr. OWENS. That is right.

In the course of that it was recommended as follows:

The settlement authorities—

speaking of the International Settlement of Shanghai—

are also ready to prohibit the sale of the magazine (Voice of China) in this settlement. It will be better if the Chinese authorities would directly apply to the American consul general in Shanghai for the cancellation of the permit to publish the magazine.

Mr. TAVENNER. Now, what was the nature or basis of the Chinese objection to the printing and distribution of the Voice of China?

Mr. OWENS. These files indicate that this confidential memorandum was in the possession of the Chinese authorities, that they were in possession of confidential information relating to the purposes of Max and Grace Granich in coming to China, and that from a review of the first two issues of the Voice of China it was their opinion, that of the Chinese authorities, that the contents were of an anti-Chinese Nationalist Government nature.

Mr. TAVENNER. Is there any information contained in the Shanghai police file indicating that any action was taken about this time by the American consulate general regarding the publication of this magazine, the Voice of China?

Mr. OWENS. Yes, sir. There is a report bearing date of May 21, 1936, a Shanghai municipal police report, in which it is stated that the registration with the American consulate of the Eastern Publishing Co. was canceled by the American consul general in the latter part of April of 1936, due to the fact that the contents of the Voice of China, after an examination by the consul general, had exceeded the cultural articles on China as stipulated by Granich when registering his concern with the consulate.

Mr. TAVENNER. In other words, the consul general had canceled the registration because the magazine indicated that it had gone beyond the purposes for which it had been set up?

Mr. OWENS. That's correct. I think his language was "had exceeded the limits of the cultural aspects" as indicated in his letter.

Mr. TAVENNER. By way of explanation to the committee at this time, I would like to ask you whether or not your study of the files and your interviews with other persons have given a clear picture to you of the effect of cancellation of registration in the publication of the magazine at this time.

Just what does cancellation of the registration amount to?

MR. OWENS. As subsequent investigation revealed, registration at the consulate was not mandatory by law, but it lent to any American who was establishing himself as a businessman or a publisher in any foreign country, as a matter of fact, an air of respectability and an indication that they had gone to the American authorities and explained entirely what their purposes were in a given locality and what sort of business they were going to be engaged in and what their purposes were. And after they supply this information to the consulate, they can state on letterheads, mastheads, or in whichever sort of publication or business they may be in, they are allowed to state, "Registered at the United States consulate."

Now, when this is removed it takes away that air of confidence and respectability as far as foreign officials are concerned.

MR. TAVENNER. It does not prevent the continued publishing of the paper or magazine merely to have the registration canceled?

MR. OWENS. In no way whatsoever.

MR. TAVENNER. Do the files reflect that Granich continued to publish and distribute the Voice of China after the registration had been canceled by the American consul general?

MR. OWENS. Yes, sir.

As I stated, the only effect that that had was that it forced him to remove from his masthead, the statement "Registered with the U. S. consulate."

And these files show that he continued to publish the Voice of China until November 1, 1937, which was the last issue that he printed, or had printed.

MR. TAVENNER. What action, if any, was taken by the Shanghai municipal police regarding the distribution of the issues of the Voice of China?

MR. OWENS. According to a report of May 21, 1936, members of the Shanghai municipal police, on May 19, 1936, acting on the authority of a search warrant issued at the instance of the Bureau of Public Safety, raided the book store at 300 Foo Chow Road. The names of these stores are in Chinese, and I had best spell them rather than try to pronounce them.

This particular book store was the Jung Tsong Book Store, J-u-n-g T-s-o-n-g.

The police seized 254 copies of the second, third, fourth, and fifth issues of the Voice of China.

This action was followed on May 23 by a notice of the banning of the sale of the Voice of China within the French Concession.

MR. TAVENNER. That is, a notice by French authorities?

MR. OWENS. French authorities. That is correct. Notwithstanding the seizure of the copies of the Voice of China, deliveries continued to be made to numerous book shops according to the reports of the Shanghai municipal police.

Beginning with October 14, 1936, periodic visits were made by the police to these book shops to explain the anti-Japanese and anti-Nationalist Government position of the publication and to seek agreements with the managers to withdraw copies from sale and refrain from receiving further consignments.

MR. TAVENNER. Did the police files reflect that this situation was brought to the attention of any American officials?

Mr. OWENS. Yes, sir, a police report bearing date of January the 12th, 1937, shows that a memorandum on the activities of Mr. Granich was drafted, and that copies were handed to Mr. Shields, district attorney of the United States Court for China, and to the United States consul general.

Mr. TAVENNER. Will you produce the memorandum, please?

I offer it in evidence and ask that it be marked "Owens Exhibit No. 2."

Mr. WOOD. Without objection, it is so ordered.

(The document referred to was marked "Owens Exhibit No. 2," and received in evidence.)

Mr. WALTER. Is that the same consul general that directed that the registration be withdrawn?

Mr. OWENS. The same one. He was there throughout this entire period.

Mr. TAVENNER. Who was he?

Mr. OWENS. Clarence E. Gauss, G-a-u-s-s.

Mr. TAVENNER. Mr. Chairman, I will read what I think are pertinent portions of the memoranda.

The information on this subject in the possession of the municipal police was passed to the United States consul general, by whom the registration of the Far Eastern Publishing Co., was canceled. The publication of the magazine by Granich has continued, however, much to the annoyance of the Chinese authorities, whose only remedy has been application for the confiscation of the periodical offered for sale in shops subject to the jurisdiction of Chinese courts. Under these circumstances, while the circulation of the Voice of China in the settlement is a misuse of the protection afforded by the international settlement and extraterritorial rights, the police arrived at an impasse in attempting to control the circulation of subversive literature of this nature.

Stated briefly the situation at present is as follows: Max Granich, in publishing the Voice of China, is undertaking a commission which, executed by a person subject to the jurisdiction of the Chinese court, would constitute a criminal offense punishable with imprisonment. The contents of the Voice of China are the work of Chinese citizens, and the publication is widely read by Chinese citizens, as is witnessed by the invitation extended therein to students to submit articles for publication. Furthermore, it is known to the police that articles of a subversive nature from the Voice of China were used for English lessons in a local school.

Mr. Owens, do the files reflect a response to this memorandum by the district attorney?

Mr. OWENS. Yes, sir. In a report by section 1 of the special branch of the Shanghai municipal police, bearing date of February 9, 1947, the following was recorded. I am quoting from the report:

With reference to the special branch report dated January 12, 1937, on the subject of a memorandum on the activities of Max Granich, copy of which was passed to the district attorney of the United States Court for China, I now have to report that Mr. Shields states that he is unable to take any action in the matter. No provisions are made in the Federal Penal Code for cases of this nature, and it is the opinion of Mr. Shields that the Chinese authorities will not be successful in curtailing the activities of Granich until they take the matter up with the United States diplomatic representatives in China.

Mr. TAVENNER. What response to this memorandum, if any, was attributed to the consul general, that is, response to the memorandum which was handed him and Mr. Shields, United States attorney?

Mr. OWENS. You must remember there was no letter addressed to him. It was just an enclosure for his use. There was no formal reply.

Mr. TAVENNER. Just a moment.

I believe the report itself merely shows that this memorandum was handed to the consul general and to Mr. Shields.

Mr. OWENS. That's correct. As I say, there was no formal reply, but in the report, the Shanghai municipal police report, January 14, 1937, there appears a record of a conversation with Mr. J. B. Pilcher, United States vice consul, which states as follows:

During a recent conversation with Mr. J. B. Pilcher, United States vice consul, who has been handling the Granich case, from a consular viewpoint, this gentleman expressed it as his personal opinion that the Chinese authorities seem reluctant to curb the activities of Granich in the Voice of China. According to Mr. Pilcher, the American consul general received a communication from the president of the second branch of the Kiangsu high court last May—

Mr. TAVENNER. Will you spell that?

Mr. OWENS. K-i-a-n-g-s-u.

—similar in tone and contents to the letter of May 5, 1936, addressed to the commissioner of police from the chief of the police bureau of the municipality of Shanghai. Mr. Clarence Gauss, American consul general, replied direct to the court, acknowledging receipt of the communication, and requested the Chinese authorities to furnish proof that Granich was a representative of the Third International and that the Voice of China was of a communistic nature. Mr. Pilcher now states that no further letter of dispatch had been received from the Chinese Government representatives; and taking into consideration that the publication is now registered as a newspaper with the municipality of Shanghai and the United State Post Office, Granich is now afforded post office privileges which he never previously enjoyed.

Mr. WALTER. Was the circulation of this material in violation of Chinese law?

Mr. OWENS. According to Chinese police memoranda, if he were a Chinese subject he would be subject to prosecution.

Mr. WALTER. Well, why was not an alien subject to the same law?

Mr. OWENS. Because it was an American firm; and they had no jurisdiction.

Mr. WALTER. What difference does that make? If it violated the Chinese law, his nationality made no difference.

Mr. OWENS. They could not arrest him or prosecute him. They later approached the consul general for suppression of the publication, as we will show.

Mr. WALTER. Is there not anything in the record to show why the Chinese did not prosecute these people?

Mr. OWENS. They never arrested them.

Mr. JACKSON. Would not the matter of extraterritoriality enter into that, in the settlement, and so forth? They would have no jurisdiction within the foreign settlement.

Mr. WALTER. But this circulation took place all over, not only in the settlement.

Mr. TAVENNER. I think those questions will be answered in the course of the examination of other witnesses, who are more or less experts in this field, and I believe the question will hinge upon what are the extraterritorial rights of American citizens.

And probably the question was narrowed down to whether or not an American citizen was disturbed in any way in his property rights, or was being subject to arrest, as distinguished from a different type of action necessary to curtail publication of the magazine.

Mr. WALTER. Well, it is very clear that what this man was doing was not in violation of any United States law but was in violation of the Chinese law. And the thing that I do not understand is why the Chinese officials attempted to have the United States Government take some action, when it could not take action, and did not take any action itself when it could have taken action.

Mr. TAVENNER. I believe that will be satisfactorily answered.

Mr. WALTER. All right.

Mr. TAVENNER. Now, you have stated, from this report that you have read from, that it appeared that the Chinese Government itself may have changed its attitude toward the publication of the Voice of China, as shown by the fact that it was being extended postal facilities that it had not theretofore been extended.

Mr. OWENS. That's right.

Mr. TAVENNER. Now, does this report show any particular interest on the part of the Shanghai police in this situation, which was brought to the attention of the Shanghai police by the American authorities?

Mr. OWENS. Yes, sir. As was stated before, the original Shanghai police files, many of them, have handwritten notations appearing either at the bottom or in the margin thereof. There is a notation in ink at the bottom of this report which states:

Yes. Edit with care. I should like to know how Chinese authorities have come (a) to register, (b) to extend postal facilities.

That is signed "D. S. B.," probably the initials of the chief of the division.

Mr. TAVENNER. Do the files indicate that that matter was followed up by the Shanghai police to attempt to get an explanation from the Chinese as to how this magazine that they had been complaining about now bears postal privileges that it had not borne before?

Mr. OWENS. Yes. There is a report from the superintendent of the Special Branch of the Shanghai Municipal Police, dated December 21.

Mr. TAVENNER. What year?

Mr. OWENS. 1937. It states:

Inquiries made of Chinese press censorship and Dr. Hung Chi shows that the Voice of China—

Mr. TAVENNER. Just a minute. Do you know who Dr. Hung Chi was?

Mr. OWENS. He was the official who was either the secretary or the head of the Chinese press censorship and post office facilities there in Shanghai.

Inquiries made of the Chinese press censorship and Dr. Hung Chi show that the Voice of China was never registered with the Ministry of Home Affairs nor with the Shanghai city government. It appears from investigation by these officials that the management of the journal produced the receipt or reply of the city government to the post office regarding its application for registration dated March 1936, and induced the latter into the belief that the paper had been properly registered. Upon receipt of information furnished by Shanghai Municipal Police, the city government has requested the postal authorities to ban the transmission of the booklet and has written to the Ministry of Home Affairs not to issue the registration papers. Furthermore, the city government in a day or two will negotiate with the American consul general for the suppression of the publication.

Mr. TAVENNER. Did the files also show that a few days later another communication was addressed to the Shanghai Municipal Police? I believe it bears the date of March 3.

Mr. OWENS. March 3, 1937, there was a letter from the Chinese Press Censorship to the superintendent, spoken of a moment ago. His name was Superintendent Tan Shao-ling. This letter is dated March 3, 1937.

Mr. TAVENNER. He was superintendent of the special branch of the Shanghai Municipal Police?

Mr. OWENS. Yes. With reference to the question of the registration of the Voice of China, and that is the registration for postal facilities, this says that the Shanghai city government recently received the registration certificate issued to the magazine by the Ministry of Interior.

Upon receipt of my petition, the city government returned the certificate to the Ministry, instead of transmitting it to the management of the magazine. On February 2, 1937, the city government sent a letter canceling the postal privileges granted to the magazine.

Mr. TAVENNER. Do the files reflect that Max Granich made an appeal to the central Kuomintang headquarters to lift this ban against the transmission of the Voice of China through the mail?

Mr. OWENS. Yes, sir. There is a report by the superintendent, spoken of in the last question, the superintendent of the special branch of the Shanghai municipal police, bearing date of June 8, 1937, relating to this subject. I will quote from this report:

Inquiries have been made to the city government and the police bureau as to the truth of the allegation that the above magazine had been registered with the Central Kuomintang Headquarters. The authorities had no knowledge in the matter until they telegraphed Nanking for information. A reply has now been received from the Central Kuomintang Headquarters at Nanking. It states that Max Granich, publisher of the Voice of China, had an interview with Mr. Zao Lih Ts, chief of the publicity department of the Central Tangpu, and after alleging his loyalty to the Central Government, was granted permission by the latter to lift the ban against the transmission under the following conditions: (1) The magazine will hereafter not propagate communism. (2) It will not publish articles inimical to the Chinese Government.

It is also stated that a letter, not a certificate, was given to Mr. Granich confirming this verbal agreement. This letter was submitted at the Chinese post office either by Granich himself or his representative, applying for the privilege of transmitting the Voice of China through the post as mail matter.

This was referred to the police bureau, who did not approve of the measure until more definite instructions were received from Nanking.

Mr. TAVENNER. Do the Shanghai police files reflect any further interviews between representatives of the Shanghai Metropolitan Police and officials of the American consulate general?

Mr. OWENS. Yes, sir. There is a confidential report made by Detective Sgt. F. A. Pitts, special branch, Shanghai municipal police, bearing date of September 2, 1937.

Mr. TAVENNER. Will you produce that, please?

I desire to offer this report in evidence, marked "Owens Exhibit No. 3."

Mr. WOOD. Without objection it is so ordered.

(The document referred to was marked "Owens Exhibit No. 3," and received in evidence.)

Mr. TAVENNER. Mr. Chairman, I will read the pertinent parts of this report.

"With reference to the endorsement of the DC (crime and special branches) appearing on the attached report dated September 2, 1937, I have to state that Mr. J. B. Pilcher, United States consul, was interviewed at 5 p. m., September 2, with the object of seeking the views of the local American authorities regarding the banning and closing down of the Voice of China. Mr. Pilcher stated that at the moment the American consulate general in Shanghai was in an invidious position since the Department of State had recently reprimanded it for continually harassing the activities of Max Granich, editor and owner of the publication in question. This was brought about, it would appear, by a protest made to Washington by highly placed Communist circles in the United States regarding the treatment accorded to Granich by the American authorities in Shanghai.

Whilst it is known confidentially that the American consul general is prepared to give the police its utmost assistance in suppressing the Voice of China, it is appreciated that it has been placed in such a position that it cannot satisfy us officials without invoking further reproaches from Washington.

Nevertheless Mr. Pilcher states that whilst the police could not confiscate those copies of the present issue now harbored in American premises at 749 Bubbling Well Road (the Eastern Publishing Co.), we could seize all copies for sale on the streets, since they would then no longer be American property, having already been sold to various news vendors.

Mr. Owens, do the files indicate that the Shanghai Municipal Police followed the suggestion made by Mr. Pilcher, that all copies of the Voice of China exhibited for sale on the streets be seized?

Mr. OWENS. Yes, sir. Subsequent to this report which you have just read, there are reports dated September 3, 4, and 5, 1937, showing the seizure of copies of this magazine, which were being offered for sale publicly on the streets.

Mr. TAVENNER. Will you hand me the exhibit again? I will read another paragraph from Owens' exhibit 3.

In regard to further issues of the Voice of China, Mr. Pilcher stated that the best course to take to suppress future publications would be for the French police to visit the Mercury Press, 21 Avenue Edward VII, where the paper is printed and published, and warn the management quite definitely that they would not tolerate any further copies being printed or published in the French concession. (The sale of the paper is already banned in the French concession.)

Mr. Owens, do the files reflect whether any further action was taken by the French in regard to the publication of the magazine in the French concession?

Mr. OWENS. Yes, sir. There appears in this file a copy of a request by the chief of the French police to the managing director of the Mercury Press. It is dated September 5, 1937. I quote from the letter:

I have the honor to draw your attention to the fact that your company continues to carry out the printing of the Voice of China, registration of which was withdrawn in the French concession on May 8, 1936, following a formal request of the Chinese judicial authorities. In the interest of public order and bearing in mind the present local situation, I will be greatly obliged if you will print no further copies of this publication in the French concession. I have the honor to be—

and so forth; signed by the chief of French police.

In connection with this, there is a report made by Detective Sgt. Pitts, special branch of the Shanghai police, bearing date of September 7, showing that Mr. G. C. Bruce, managing director of the Mercury Press, advised that his company would respect the wishes of the French police and that no further copies of the Voice of China would be printed or published by his concern.

Mr. TAVENNER. Mr. Owens, will you now briefly summarize the remaining pertinent documents in the file?

Mr. OWENS. Yes, sir. Subsequent to this date, the files reflect that Mr. Granich made a complaint to the consul general in Shanghai regarding the seizure of his publications on September 3, 4, and 5; that the consul general on September 8, 1937, formally requested the return of confiscated copies on the ground that they were the property of an American citizen at the time of seizure. Further, the files disclose that on September 12, the commissioner of police returned these confiscated copies to the consul general, who delivered them to Mr. Granich and took his receipt therefor. The files also disclose that Mr. Granich succeeded in procuring the China Science Corp., located in the French concession, to publish one issue, the November 30, 1937, issue, of the Voice of China. And shortly thereafter the China Science Corp. was fined \$50 by the French authorities for publication of the issue and warned not to print any further issues, because the sale and distribution of this publication within the French concession had been banned.

The files next include a report bearing date of December 29, 1937, in which it is stated:

Max Granich, the American editor of the Voice of China, left Shanghai on December 21, 1937, on the steamship *Rampura* for Marseille, France. He was accompanied by his wife. Two days prior to his departure Granich received a large draft from the United States in an amount which he utilized to pay his and his wife's passages to Europe. At the time of his departure, the Shanghai police reported that Granich remarked sometime prior to his departure despite all his efforts he could not succeed in his work in China as he received no support from the American authorities here and was continually getting into trouble with the police of the international settlement and the French concession.

And that was the last report on Max and Grace Granich.

Mr. TAVENNER. Mr. Owens, in your review of these files, have you been able to ascertain the number of copies that were made of the various issues?

Mr. OWENS. Yes. There was a running account kept. Two thousand copies of the first issue of March 15, 1936, were delivered for distribution. This number increased to 5,500 by July 1 and increased to 6,000 by January 15, 1937, and reached its peak in March of 1937, when they had printed 7,750 copies.

From that date on, from March until November 1937, the copies gradually decreased in number printed.

Mr. WALTER. And on what date did the Chinese Government extend the postal privileges?

Mr. OWENS. It was in June. That controversy arose in May and June of 1937.

Mr. WALTER. That was after the peak had been reached?

Mr. OWENS. Yes, sir.

Mr. TAVENNER. Mr. Owens, is there any information contained in the files which would indicate the areas of distribution of the Voice of China?

Mr. OWENS. Yes. The various records of seizure show that the Voice of China was being distributed by 15 book stores and numerous magazine stands, the names of which are contained in the files, which were located in the international settlement.

In addition, the magazines were also distributed by individuals in this area. The report of the police, bearing date of June 27, 1936,

shows that 3,000 copies were delivered to the post office for delivery to Canton, China.

In a report dated March 12, 1937, 1,500 copies were delivered to a Chinese post office, addressed to various places in the South Seas, which were confiscated by the local branch of the Chinese post office.

Mr. TAVENNER. Have you ascertained from an examination of other files and documents that the area of distribution was even broader than you have just indicated?

Mr. OWENS. Yes. Subsequent investigation of another file, which will be introduced later, disclosed that some copies were sent to the International House in Chicago, as I recollect. Copies were sent to Chinese students in this country, particularly those in colleges and universities on the west coast.

There was also a hold-up of a consignment of publications in Manila, if I remember correctly, which will be developed later.

Mr. TAVENNER. I have no further questions, Mr. Chairman.

In light of the information contained in Owens exhibit No. 3, which sets forth the conversation with Mr. Pilcher regarding the action of the State Department in Washington in regard to these matters, I have submitted interrogatories to Mr. Pilcher, who was located in Government service in Japan.

Mr. WOOD. You mean presently?

Mr. TAVENNER. Presently. I submitted them because there was no prospect of his early return here.

And I would like to read the interrogatories.

Mr. WOOD. Very well. Without objection.

Mr. TAVENNER (reading):

In re the hearing by the Committee on Un-American Activities of the House of Representatives, United States Congress, relating to the activities of Max and Grace Granich in China and elsewhere:

The Committee on Un-American Activities of the House of Representatives calls up J. B. Pilcher to answer upon oath the following interrogatories to be used in evidence in the course of the said hearing:

Interrogatory No. 1: When and where were you born?

Answer to interrogatory No. 1: September 28, 1899, at Dothan, Ala.

Interrogatory No. 2: What is your present occupation?

Answer to interrogatory No. 2: Foreign-service officer of the United States.

Interrogatory No. 3: State briefly the positions you have held with the United States Government, giving dates and places of service.

Answer to interrogatory No. 3: The information requested is as follows: Appointed foreign-service officer unclassified and vice consul of Korea October 24, 1928. Foreign Service School November 5, 1928. Vice consul at Nanking, March 29, 1929. At Hankow July 2, 1929. At Harbin October 21, 1933. At Shanghai March 21, 1935. Class 8 consul at Shanghai October 1, 1935. Secretary to the diplomatic service August 17, 1937. Third secretary at Peiping October 25, 1937. Class 7 May 1, 1938. Second secretary at Peiping May 12, 1938. Class 6, March 1, 1940. Consul at Tientsin in addition to duties as second secretary at Peiping April 1, 1940. Consul at Amoy April 17 to December 7, 1941. To the Department of State December 23, 1941. Class 5 February 1, 1942. Acting Assistant Chief, Division of Foreign Service Administration, October 12, 1942. Class 4 July 16, 1944. First secretary and consul at Paris March 19, 1945. Class 3 August 13, 1945. Consul at Shanghai March 1, 1946. Foreign-service officer of class 3 November 3, 1946. Class 2 April 14, 1948. To the Department of State July 1, 1948. Detailed to National War College October 30, 1948, to June 21, 1949. Consul at Yokohama July 18, 1949. Consul general September 22, 1949. Consul general at Yokohama September 30, 1949. Consular mission in addition to duties as consul general at Tokyo December 19, 1949.

Interrogatory No. 4: What position did you hold in the United States consulate in Shanghai in 1936 and 1937?

Answer to interrogatory question No. 4: American consul.

Interrogatory No. 5: Attached hereto, marked "Exhibit A" for the purpose of identification only, is a copy of the Shanghai municipal police report dated September 2, 1937, entitled "The Voice of China Interview with Mr. J. B. Pilcher, American Consul General, Regarding Suppression."

Mr. Chairman, this is the same document which has been put in evidence as Owens exhibit No. 3:

Will you state all the circumstances which led up to the interview which is the subject of this report?

Answer to interrogatory No. 5: To the best of my recollection, Mr. Max Granich, a naturalized American citizen of former Russian nationality, filed application in 1937 or perhaps earlier at the American consulate general in Shanghai for the registration of the Eastern Publishing Co. as an American sole proprietorship. The magazine published by him was called the Voice of China. In the fall of 1937, the Japanese and Chinese were waging a full-scale war in the Chinese area of Shanghai. American authorities cooperated with the Shanghai Municipal Council police in their endeavor to keep law and order in the international settlement. The Voice of China was not conducive to this effort, and the police authorities undertook to prevent or limit its distribution in the international settlement.

Since Mr. Granich was an American citizen and held that his activities, including the publication of the Voice of China, should be extended protection by American consular authorities in Shanghai, the international-settlement police naturally turned to the consulate general for advice and assistance. Mr. F. A. Pitts, of the Shanghai municipal police, called upon me in this connection.

Interrogatory No. 6: In exhibit A—

which, I will refresh the committee's recollection, is the same as Owens exhibit No. 3—

the following statement was attributed to you.

"Mr. Pilcher stated that at the moment the American consul general at Shanghai was in an invidious position, since the Department of State in Washington had recently reprimanded it for continuously harassing the activities of Max Granich, editor and owner of the publication in question." Were you correctly quoted in the said statement attributed to you?

Answer to interrogatory No. 6: Although I do not recall the exact words of the conversation, which took place approximately 14 years ago, my sense of propriety as an officer of the Department of State would have precluded the use of words and phrases attributed to me, regardless of the subject of discussion.

Interrogatory No. 7: What action was taken by the consulate general in Shanghai which affected the activities of Max and Grace Granich?

Answer to interrogatory No. 7: I do not recall any specific action in the summer of 1937, but I do recall that the sum total of actions taken then amounted to non-support of his activities.

Interrogatory No. 8: Did the Department of State in Washington reprimand the consul general in Shanghai for any alleged treatment of Max and Grace Granich?

Answer to interrogatory No. 8: I would not use the word "reprimand." It would seem that there was a routine instruction to Shanghai consulate general regarding Mr. Granich, in which the consul general was instructed to exercise caution in any action taken by the consulate general in Shanghai. I do not recall any specific instructions along these lines.

Interrogatory No. 9: What was the nature of such reprimand?

Answer to interrogatory No. 9: See answer to No. 8, above.

Interrogatory No. 10: Attached hereto and marked "Exhibit B" for identification only is a copy of the telegram from the Department of State to the American consul at Shanghai, bearing date May 13, 1937. Will you please examine this exhibit and state whether or not this message influenced you in any statement you made to Mr. Pitts on the subject of your interview?

Answer to interrogatory No. 10: I do not recall ever having seen exhibit B. This exhibit will be introduced subsequently in the course of the hearing.

Interrogatory No. 11: Attached hereto and marked "Exhibit C" for identification only is a copy of the report from the American Consul General in Shanghai to the Secretary of State, Washington, D. C., bearing date of June 25,

1936. Will you please examine this report and state whether or not you prepared the report, assisted in its preparation, or were familiar with its contents at the time of its dispatch?

Answer to interrogatory No. 11: I do vaguely recall having seen exhibit C, which to the best of my knowledge and belief was prepared by Consul General Gauss, who possibly may have used some data furnished by me, but I do not remember participating in its preparation.

Interrogatory No. 12: Attached hereto and marked "Exhibit D" for identification only, is a copy of a departmental memorandum of the Department of State, Division of Far Eastern Affairs, bearing date of August 9, 1937, which refers to the contents of exhibit C. Will you please examine exhibit D and state whether or not you were familiar with its contents at the time of your said interview with Mr. Pitts on September 2, 1937?

Answer to interrogatory No. 12: I do not recall ever having seen exhibit D before this interrogation, and therefore could have had no knowledge of its contents at the time of my interview with Mr. Pitts.

Interrogatory No. 13: Was any of the information contained in exhibit D to your knowledge transmitted to the consul general or to you prior to September 2, 1937, in official channels or any manner?

Answer to interrogatory No. 13: I do not know.

Interrogatory No. 14: Reference is again made to exhibit A, wherein Mr. F. A. Pitts, the writer of the report, in referring to the alleged reprimand of the consul general of the Department of State, stated: "This was brought about, it would appear, by protests made to Washington by highly placed Communist circles in the United States regarding the treatment accorded to Granich by American authorities in Shanghai." What information did you have on September 2, 1937, or what information do you have now, of making any protest to the State Department by any member of the Communist Party or any person outside of the State Department, complaining of the treatment accorded Max and Grace Granich by the consul general in Shanghai?

Answer to Interrogatory No. 14: I had no information on September 2, 1937, and have none now, as to the making of the protest to the State Department by Communists or any other persons concerning the treatment accorded to the Graniches.

Interrogatory No. 15: Please explain fully the basis for your answers to the preceding question.

Answer to interrogatory No. 15: See answer to No. 14, above.

Interrogatory No. 16: Please state fully any information you may not have covered by your answers to the preceding questions, which would aid the Committee on Un-American Activities in its investigation of the alleged Communist Party activities of Max and Grace Granich and any information which might tend to show whether or not special considerations were afforded Max and Grace Granich by the State Department.

Answer to interrogatory No. 16: I have nothing further to add.

Subscribed to this 19th day of September 1951.

J. B. PILCHER.

And I will not read the affidavit.

Mr. Wood. We will recess until 2 o'clock this afternoon.

(Whereupon, at 11:50 a. m., a recess was taken until 2 p. m., this same day.)

AFTERNOON SESSION

(The hearing reconvened at 2:28 p. m., Representatives Harold H. Velde and Bernard W. Kearney (appearance noted in record) being present. Mr. Wood presiding.)

Mr. Wood. Come to order, please.

Let the record disclose that for the purposes of the hearing this afternoon, acting under the authority vested in me by the resolution establishing this committee, I have set up a subcommittee composed of Messrs. Velde and Doyle and Mr. Wood. Messrs. Velde and Wood are present and Mr. Doyle is on the way.

We have a quorum and we will proceed.

Whom do you have, Mr. Tavenner?

Mr. TAVENNER. Mr. Chairman, a subpoena duces tecum was served on the State Department for the production of all records, correspondence, memoranda, under the control of the State Department relating to Max Granich, Grace Granich, the publication Voice of China, and the Eastern Publishing Co.

In response to the subpoena the State Department has delivered to me the bound documents and papers that I have here before me.

My purpose in presenting them at this time is to use them in part as a basis for the examination of the next witness who will be called. These documents fall into two main categories:

First, instructions and memoranda having origin in the State Department; and

Second, dispatches originating in the field.

I shall introduce in evidence and make a part of the record any of the documents of the first class having their origin in the State Department, the contents of which warrant their introduction. The introduction in evidence and the making a part of the record of dispatches from the field presents a special problem. Where the dispatches from the field contain reports of information, it would seem unwise to make them verbatim a part of the public record, because of the over-all harmful effect upon objective reporting in the field.

For this reason, in appropriate cases, I will paraphrase dispatches from the field for the benefit of the public record, or read in evidence only the parts pertinent to this investigation without divulging publicly the full text of the dispatch and names of those who assisted in the preparation.

And I will present the actual dispatches in executive hearing for any further information the committee may desire on the subject.

Mr. VELDE. Mr. Counsel, who in the State Department was the subpoena duces tecum served upon?

Mr. TAVENNER. No one. I served the subpoena duces tecum, and as will appear presently, through the chairman, requested the State Department to send anyone who was qualified to explain the documents.

Mr. VELDE. I see.

Mr. TAVENNER. It was addressed to Mr. Acheson.

Mr. WOOD. Very well, you may proceed.

Mr. TAVENNER. My next witness is Mr. Clarence E. Gauss.

Mr. WOOD. Mr. Gauss, will you come around, please?

Will you be sworn?

Do you solemnly swear the testimony you will give this subcommittee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GAUSS. I do.

Mr. WOOD. Have that chair, sir.

TESTIMONY OF CLARENCE E. GAUSS

Mr. TAVENNER. What is your name, please, sir?

Mr. GAUSS. Clarence Edward Gauss.

Mr. TAVENNER. When and where were you born?

Mr. GAUSS. Washington, D. C., January 12, 1887.

Mr. TAVENNER. How are you now employed, Mr. Gauss?

Mr. GAUSS. I am a member of the Board of Directors of the Export-Import Bank.

Mr. TAVENNER. How long have you been employed in that capacity?

Mr. GAUSS. Since 1946, January 2.

Mr. TAVENNER. Prior to that, did you serve for a considerable period of time in the service of the State Department?

Mr. GAUSS. Yes. I have been 38 years in the State Department, since 1906 until the 31st of May 1945.

Mr. TAVENNER. Will you state briefly to the committee what your principal assignments have been?

Mr. GAUSS. I spent over 30 years in China in various assignments and various posts from deputy consul general in 1907 to Ambassador from 1941 through 1944.

I was consul general in Shanghai twice. Once on a temporary basis; the second time from 1936 to the spring of 1940.

I have served as chargé d'affaires. I served on the consular legation, consul general, and consul in various ports and advisory consul in various ports.

Mr. TAVENNER. As I understand it, you were consul general in Shanghai during the years 1936 and 1937?

Mr. GAUSS. Yes.

Mr. TAVENNER. Mr. Gauss, do you recall from your independent recollection the incidents arising out of the establishment of the Eastern Publishing Co. in March 1936 in Shanghai by Mr. Max Granich and his wife, Grace Granich, and the publication of the magazine, the Voice of China?

Mr. GAUSS. Well, those names rang a bell in my memory, but I did not recall the details, exactly what had occurred.

I knew the Voice of China was an organ there that had been considered as prejudicial to peace and good order, and that we had had to deal with that situation, but I didn't recall the details.

Mr. TAVENNER. Have you refreshed your recollection regarding these incidents by an examination of the Shanghai police files in conjunction with the files of the State Department made available to you on yesterday?

Mr. GAUSS. Yes. I haven't examined them in detail, but we went over them sufficiently to refresh my memory very rapidly.

Mr. TAVENNER. I hand you Owens Exhibit No. 3, which is a copy of a report by Mr. F. A. Pitts, detective sergeant, special branch of the Shanghai Municipal Police, bearing the date the 2d day of September 1937, in which Detective Sergeant Pitts records an interview with Mr. J. B. Pilcher, vice consul in your office in Shanghai.

Do you recall from your independent recollection whether you were reprimanded by the State Department as indicated in the second paragraph of that exhibit?

(At this point Representative Bernard W. Kearney entered the hearing room.)

Mr. GAUSS. No: I was not reprimanded by the State Department as indicate in the second paragraph of that police report.

The State Department and I might differ as to what should be done in the case, but I don't think I was ever reprimanded in that case.

MR. TAVENNER. Well, will you explain to the committee in a very general way what situation was created by the establishment of the Eastern Publishing Co., and the publishing of the Voice of China?

MR. GAUSS. Yes.

I should perhaps first explain that we had a system in China which was an extraterritorial jurisdiction where the American authorities had jurisdiction in courts over American citizens. We had a system under which an American company or partnership or sole proprietorship, when it came to China, would register at the consulate. That involved a preinvestigation, let us say, of the exact status of that enterprise; who the people were—say it was in this case a sole proprietorship—was he an American citizen; what was he going to do; what capital, and so forth; a record of his passport, so that in any case where application was made to the consulate general for consular assistance, intervention, or whatever you want to call it, we would have that information all ready on our files so that we could go ahead.

That was common in China. Registration was not prescribed by law; it was not a registration which we particularly wanted to publish.

But every American corporation, partnership, and sole proprietorship out there so registered. The National City Bank, the Standard Oil Co., and so on and so forth.

Now, then, Mr. Granich appeared at the consulate general to register the Eastern Publishing Co. which was, he stated, established for the purpose of a news syndicate, which was rather vague in itself, a picture service, and also the publication of a magazine relating to Chinese life and culture.

We knew nothing about Mr. Granich, but we spent considerable time investigating so far as we could locate, before we approved that registration. It was very unusual for someone to come out and start a news syndicate.

We had the Associated Press and United Press. We had correspondents there of the reputable larger newspapers in the United States. We had the International News Service, also, and it was rather unusual for someone to be establishing a news syndicate which we did not quite understand.

But we never got to the bottom of that. Picture service, yes. But these things would not be profitable enterprises. And what concerned us most was the statement that they were going to publish a magazine involving Chinese life and culture.

We had had some experience with that type of publication in China which had given strong indications of being a subversive publication.

In any case, we accepted Mr. Granich's application. We investigated so far as we could and we finally approved it and waited to see what would happen.

MR. VELDE. May I ask a question?

MR. WOOD. Mr. Velde.

MR. VELDE. Coming back to the Shanghai police report which I think you have just read, or that portion with reference to Mr. Pilcher's statement as to the investigation, in which he states that:

At the moment the American Consulate General in Shanghai was in an invidious position, since the Department of State in Washington had recently reprimanded it for continually harassing the activities of Max Granich, editor and owner of the publication in question. That was brought about, it would appear, by

protests made to Washington by highly placed Communist circles in the United States regarding the treatment accorded to Granich by the American authorities in Shanghai—

I believe in answer to that question you said that you yourself never were reprimanded by the State Department.

Did you have any communication at all with the State Department here in Washington with reference to Max Granich?

Mr. GAUSS. Yes.

Mr. TAVENNER. May I suggest, Mr. Velde, that we have those documents here and are going to introduce them in evidence, and I propose to question him regarding each one of them.

Mr. VELDE. I have one more question I would like to ask along this line, if it may be permitted.

Mr. WOOD. Very well.

I was going to suggest on the matter that he would be given an opportunity. If you have another one you would like to present at this time, go ahead.

Mr. VELDE. I would like to ask you, Mr. Gauss, if this report, then, is not in accordance with the facts, in your opinion?

Mr. GAUSS. It is not accurate.

After all, you have got to realize that this, I think it was Detective Sergeant Pitts, or somebody, who was talking with a member of my staff and who perhaps was not entirely accurate in reporting to the Commissioner of Police.

However, we had had certain instructions from Washington, which I think they can definitely show you there. Some people might have considered them a reprimand. It took 15 months before I got any instructions from Washington. And when I got them they were instructions which I could disagree with, but were purely, I should say, legal, technical legal developments, which I would be glad to explain now, if you wish, Mr. Chairman, or if we could go as we have been.

Mr. VELDE. I am through with my questions, if you will follow up my questioning.

Mr. WOOD. I think it will develop further, Mr. Velde. If not, all members will be given an opportunity to elaborate.

Mr. TAVENNER. We have shown through the introduction of the excerpts from the Shanghai police file that Mr. Granich, as an American citizen, had made various complaints to you regarding the seizure of his publication. Do you recall that?

Mr. GAUSS. Yes. But before there was a seizure—I believe it was before; I am not exactly clear as to the dates—but I believe before the seizure of those publications, the first seizure, we had cancelled his registration. I would have to refer to the files again to verify which date that was.

But we canceled his registration because he had put out a magazine called the Voice of China which, upon examination, was shown to be an organ detrimental to peace and order in the settlement, in the International Settlement, I mean, the foreign area in the Port of Shanghai, in that it was—that particular first issue I haven't examined again, but, anyhow, the first or second issue were more or less anti-Nationalist Government, anti-Japanese, anti-imperialist powers, and of a character designed to stir up and foment agitation among Chinese students.

There had been complaints to the Consulate General. The French concession authorities prohibited the circulation of the publication in the French concession as detrimental to peace and good order.

The Chinese court in our usual proceeding communicated with the consulate general saying that Mr. Granich appeared in Shanghai as the representative of the Third Internationale to conduct anti-Communist propaganda. That anti-Communist—

Mr. TAVENNER. Anti-Communist?

Mr. GAUSS. Anti-Communist propaganda. I am sorry—to conduct Communist propaganda. That Communist propaganda was prohibited under the Chinese criminal code, and if it were published, they therefore moved to have the American authorities take action to suppress this publication.

The police of the International Settlement, those police were largely British at the top, also complained to the Consulate General that this publication was prejudicial to peace and good order in the settlement.

It was calculated to stir student activities and agitation at the time.

(Representative Bernard W. Kearney left the hearing room at this point.)

Mr. GAUSS (continuing). Just what of these protests had come to us before I canceled the registration, if you can call it that, of the Eastern Publishing Co., I do not recall, and I couldn't say without referring to the record on that particular point.

But in any event, the publication, when it came out, had its masthead, Eastern Publishing Co., registered at the consulate general.

So that in the eyes of foreigners, as well as Chinese in Shanghai, the thought would be that this was being published with the consent or approval of the American authorities.

Now, then, when it turned out that the publication was not a magazine dealing with Chinese life and culture, I considered that Mr. Granich had made a false representation to the consulate general as to the purpose of the magazine, and I canceled his registration.

I did not want that magazine to be published with that masthead which placed the responsibility, in a measure, at least, on the consulate general.

Mr. VELDE. That cancellation was a result of your own consideration of the problem. It was not influenced by outside sources?

Mr. GAUSS. Outside sources? We examined it.

Mr. VELDE. Or within the Department?

Mr. GAUSS. And I believe there—I would have to check the record—I believe we had had a complaint. I am not just sure, but I believe we had a complaint from the Chinese authorities, the British authorities and the French concession authorities, who had prohibited circulation of the magazine so that it was brought to our attention very pointedly.

We examined the magazine ourselves and concluded that we should cancel the registration.

Mr. VELDE. Do you remember whether you contacted the State Department before such cancellation to get their approval?

Mr. GAUSS. No, I don't think I did.

As a matter of fact, Mr. Velde, when we made a registration we were supposed to report it to the Embassy at Peking. And if I remember correctly in this case, we not only reported it to the Embassy in Peking, but also reported it directly to Washington because there were questions involved there in our minds, and we wanted Washington to be informed.

We certainly informed Washington when we had canceled the registration. We informed them properly and promptly and kept them constantly informed of everything that we were doing and why, of all the protests that we had received and so on.

Mr. TAVENNER. Mr. Gauss, your dispatch to the State Department bearing date of May 22, 1936, reports the making of a complaint by Max Granich on May 20, 1936, concerning the seizure of 400 copies of the May 1 and May 15, 1936, issues of the Voice of China.

Will you please examine the report and state whether or not it is the report made by you?

Mr. GAUSS (after consulting document). Oh, yes.

Mr. TAVENNER. Will you examine the first two paragraphs beginning on page 2 of your report and either summarize those two paragraphs for the committee, or read them, if you like?

Mr. GAUSS (reading):

On May 21, 1936—

I am reading textually—

after I had been consulted on the case, Mr. Granich was informed orally that the consulate general declined to intervene in the matter.

That was the seizure.

Thus leaving him to pursue his legal remedies if he so desired. He was not advised as to any course of procedure which he might follow. He was, of course, at liberty to retain counsel and apply to the Shanghai district court for the return of any American property unlawfully seized.

I felt that the consulate general should give Mr. Granich no official support or countenance in the activities in which he is engaged. He is publishing and disseminating a political magazine of a highly radical propaganda character, likely to incite the student and radical element to agitation and perhaps disorders inimical to peace and good order and to the good relations between the United States and China and other countries.

If I may be permitted, Mr. Chairman, to explain there that these several hundred copies of this Voice of China were seized in the International Settlement under an order of the Chinese court directing the seizure of these publications in a book store known as the People's Book Store. The seizure was made in the International Settlement and with the assistance, if not by, the municipal, or international municipal police, principally British, but it was made under this Chinese court order.

The copies were then handed to the Chinese court.

Now, I might have been able to intervene in that case with the Chinese court for the redelivery of these copies to Mr. Granich, or to me, if he had shown that they were still his property.

On the other hand, Mr. Granich had his legal remedy which was to retain counsel, which could have been American, British, Chinese, French, or anything else that could practice in that Chinese district court, and go into court and claim those as his property.

For me to have intervened in the case would have been to give faith and countenance to this man who was publishing this propaganda

organ which was detrimental to the peace and order of China, of Shanghai, and I refused him that assistance.

Mr. TAVENNER. Reference was made a few moments ago to the receipt by you of certain inquiries from the State Department, and finally instructions.

I hand you a photostatic copy of a telegram sent by the Department of State to you on May 13 and ask if you recall receiving that telegram which relates to a request for your position in the matter.

Mr. GAUSS (after consulting document). Yes.

Mr. TAVENNER. I desire to offer the document in evidence and ask that it be marked "Gauss Exhibit No. 1."

Mr. WOOD. It will be admitted.

(The document above referred to, marked "Gauss Exhibit No. 1," is filed herewith.)

Mr. TAVENNER. Will you read it, please, sir?

Mr. GAUSS. This is marked, so it is not confidential.

Mr. TAVENNER. Only read the body of the text.

Mr. GAUSS. It refers to a dispatch of mine and correspondence in regard to the Eastern Publishing Co. and says:

Inasmuch as this case seems to be substantially on all fours with the case on the Searchlight Publishing Co.—

and it gives a reference to correspondence there and instructions which occurred in 1932—

the Department would appreciate receiving from the consulate general an explanatory statement of the grounds upon which the consulate general has declined to intercede on behalf of Eastern Publishing Co. in an endeavor to obtain the return to the company of the copies and volumes of the Voice of China seized by the Chinese postal authorities.

Mind you, this is in 1937. This is almost a year after the first seizure. These were seized by the Chinese postal authorities; they were not seized under an order of the Chinese court.

Please reply by radio.

Mr. TAVENNER. I hand you a dispatch by telegram, bearing date May 19, 1937, and I will ask you if this was your reply.

Mr. GAUSS (after consulting document). Yes, sir; it was.

Mr. TAVENNER. I would like to introduce it in evidence and have it marked as "Gauss Exhibit No. 2."

Mr. WOOD. That will be so admitted.

(The document above referred to, marked "Gauss Exhibit No. 2," is filed herewith.)

Mr. TAVENNER. Mr. Gauss, will you hand that to me for a moment?

The first part of your reply relates to facts regarding the Granich matter, much of which has been covered by previous dispatches; is that not true?

Mr. GAUSS. Yes; it outlines the history of the case.

Mr. TAVENNER. I would like for you to read or paraphrase, as you may determine, the last paragraph in your reply which summarizes your views regarding the magazine in question.

Mr. GAUSS (reading):

As has been fully reported to the Department—

And I quote here verbatim—

the consulate general canceled the registration of the Eastern Publishing Co. when the character of its activities became apparent. Those activities cannot

be considered in any way as advancing American interests or prestige in China. They are calculated to foment discord and to disseminate propaganda prejudicial to peace and good order and to the friendly relations between peoples and governments with which the American Government and people are at peace. I consider that such activities are a gross abuse of the privilege of extraterritoriality, and that in pursuance of the good-neighbor policy of the American Government no recognition, countenance, or support should be given to Granich in such activities. The Department is aware that there is suspicion that the activities of Granich are being conducted in the interests of the Third Internationale.

MR. TAVENNER. Did you further reply by written dispatch under date of June 25, 1937, to the telegram of inquiry of May 13 from the Department?

MR. GAUSS. Yes. I seem to have elaborated on that a bit.

MR. TAVENNER. In the course of that additional reply you made further comments regarding your position, and your views relating to the Voice of China. I refer you to the paragraph on page 3 beginning with the words, "I continue to hold."

MR. GAUSS. Yes.

MR. TAVENNER. Will you read that paragraph to the committee, or paraphrase it, as you desire?

MR. GAUSS. I will read it.

I continue to hold firmly to the view expressed in the last paragraph of my telegram No. 233 of May 19—

and so forth—

to the effect that the activities of this publication cannot be considered in any way as advancing American interests or prestige in China, that they are calculated to foment discord and to disseminate propaganda prejudicial to the peace and good order and to friendly relations between the peoples and government with which the American Government and people are at peace, that such activities are a gross abuse of extraterritoriality, and that in pursuance of the good-neighbor policy of the American Government no recognition or countenance or support should be given to Granich in such activities. The Department is aware—

MR. TAVENNER. I think that is sufficient.

MR. GAUSS. It is exactly the same text as the telegram I read.

MR. TAVENNER. Now I refer you to page 4 and call to your attention the last two paragraphs on that page.

MR. GAUSS. Yes.

MR. TAVENNER. Beginning "I shall, of course."

MR. GAUSS. Yes.

MR. TAVENNER. And I will ask you to summarize or read it.

MR. GAUSS (reading):

I shall, of course, continue in my attitude that the person and property of Max Granich as an American citizen are subject to American protection, but I shall also continue, unless otherwise instructed by the Department or by the Ambassador, to decline to give Granich any recognition, countenance or support in his anti-Japanese propaganda activities.

While numerous reports on the Voice of China have been communicated to the Department, I have received no instructions therefrom in criticism of the attitude assumed by the consulate general or in correction of the position which has been taken as representing, in my opinion, the attitude calculated to serve the best interests of the United States. I invite any instructions the Department may see fit to give for my guidance in the future in connection with this magazine and the activities of its editor and publisher.

That is dated June 25, 1937, more than a year after the case first arose.

MR. TAVENNER. Did you receive definite instructions from the State Department on July 12, 1937, regarding the handling of the case?

Mr. GAUSS (after consulting document). Yes, I received an instruction from Washington dated July 12, 1937.

Mr. TAVENNER. It was not in code?

Mr. GAUSS. No; it is a written instruction, a mailed instruction. It came by pouch.

Mr. TAVENNER. I desire to introduce the document in evidence and ask that it be marked "Gauss exhibit No. 3."

Mr. WOOD. It will be admitted.

(The document above referred to, marked Gauss exhibit No. 3, is filed herewith.)

Mr. TAVENNER. Mr. Gauss, do those instructions show the legal grounds and position taken by the State Department as to how, in its judgment, this matter should be handled?

Mr. GAUSS. Yes. They refer to instructions that have come out in 1932 in the Searchlight Publishing Co. case.

Mr. TAVENNER. Will you please read the instructions?

Mr. GAUSS. Read the whole thing?

Mr. TAVENNER. I believe—read the whole thing, yes.

Mr. GAUSS (reading):

With reference to your telegram No. 233 of May 19, 5 p. m., the Department has reviewed the correspondence in regard to the Eastern Publishing Co. and has given careful consideration to the statements of fact and of your opinion and official position based thereon which are contained in the telegram under reference.

The Department concurs in the view that the activities in which Mr. Max Granich, the owner of the Eastern Publishing Co., is engaged in China, should not receive encouragement or support from this Government. However—

Mr. TAVENNER. Just a moment. At that point, the instructions confirmed and approved practically what you had been doing; is that right?

Mr. GAUSS. Yes, I suppose so.

However, it does not seem to the Department, all available evidence being considered, that the circumstances of this case warrant any qualification for departure from the position taken in the Department's telegram No. 230 of July 30 at 2 p. m. in regard to the Searchlight Publishing Co.

Inasmuch as the Eastern Publishing Co. appears to be an American firm and the confiscated magazines appear to be the property of that firm it follows that the property is subject to exclusively American jurisdiction, and that this confiscation of the property by the Chinese authorities is an unwarranted invasion of American jurisdiction and a violation of our treaties with China.

A correctness of that conclusion would not seem to be affected by the fact that the property in question was deposited with the Chinese postal authorities for transmission, or by the fact that the seizures were made by censors operating under the national military commission.

While the publication under reference does not appear to be legally objectionable under the laws of the United States, and does not, therefore, warrant judicial action by the American authorities in China, the Department, nevertheless, desires to cooperate in every reasonable way with the Chinese authorities toward preventing the publication and distribution in China by American nationals of material which could reasonably be regarded by those authorities as offensive to the Chinese Government or people and, therefore, prejudicial to friendly relations between the United States and China.

The Department, therefore, would not be disposed to raise objection to the adoption by the Chinese authorities of such reasonable administrative measures as may be available to prevent circulation and distribution of the magazine under reference, such as a denial of postal facilities, or any other facilities under the exclusive control of the Chinese authorities; provided, however, that any action which the Chinese authorities might take for the accomplishment of this purpose would not include any assumption of jurisdiction over an American national or his property.

This is the position taken by the Department in the case of the Searchlight Publishing Co. and is based on the distinction between diplomatic protection which may be granted or withheld in the discretion of the President, and the treaty rights of extraterritoriality to which American nationals have a legal claim which are not within the authority of this department to disregard.

If the Chinese authorities should attempt to confiscate future issues of the publication under reference, you should be guided by this instruction in protesting seizure, and in endeavoring to effect the return of any properties seized to the American owner. You may in your discretion inform the appropriate Chinese authorities of the Department's position as set forth hereinbefore and request their cooperation in making that position effective.

For the Secretary of State, Sumner Welles.

MR. TAVENNER. Prior to the receipt of those instructions, you had not taken any definite action to recover any of the seized copies which Mr. Granich had complained about?

MR. GAUSS. I had not. Mr. Granich had his legal remedies which he could have pursued and which I thought it was more desirable that he should pursue than that we should give any face or countenance to his activities by intervening in his behalf.

I differ radically from the State Department in that view. I received my instructions, and thereafter carried them out.

MR. TAVENNER. So after the receipt of these instructions, the difference in your procedure was to demand the return of the confiscated or of the seized copies?

MR. GAUSS. We had only one case, as I recall, of seized copies. They said that some 10 or 11 copies had been seized by the municipal council.

Mr. Granich came in and made the declaration that they were his property. We asked for their return. They were returned and we re-delivered to him and their face value was 30 cents.

We had another case where I intervened. This publication was printed at the Mercury Press in the French concession. It was an American institution. A number of copies, I think several hundred, perhaps several thousand, I don't remember, were en route from Mercury Press to Mr. Granich's office in the International Settlement.

The international police came in to us and said they would like to seize it. Would we in the Consulate General acquiesce? The answer was "No, you cannot seize American property." It was evidently the property of Mr. Granich being delivered by his printers to himself.

MR. TAVENNER. Do you recall whether that was before the receipt of the instructions of July 12, or after?

MR. GAUSS. No, I think that was after. I am not quite certain, but I would have taken that position, and we were not parties to a seizure.

MR. TAVENNER. Yes. I have a reference to that incident of being September 1, 1937.

MR. GAUSS. Yes. And that was a very serious situation in China. I think I would have been justified even in seizing those properties. It was a situation, a condition in Shanghai when we should have had martial law, and when martial law should have suppressed any such publication.

It was after the outbreak of the Japan incident. We had a major battle going on around Shanghai. We had the International Settlement, the French concession crowded with Chinese refugees, about a million of them—and I am not exaggerating the amount—and it was touch and go whether we were going to hold that situation there against possible Japanese invasion even into foreign areas.

So that the police, and even our Marines and the other foreign troops there, were all very tense holding that situation, which we tried to do.

And this was no time for any such magazine to come out, even if they considered it was not prejudicial to peace and order.

Mr. VELDE. You have said that the author of that last communication whereby you were given this instruction was Sumner Welles?

Mr. GAUSS. Sumner Welles. He was Acting Secretary.

Mr. VELDE. Do you know who the author of the original telegram requesting information concerning this was?

Mr. GAUSS. I don't know who the author of it was. I might be able to give you some initials on it; I don't know.

Mr. TAVENNER. The author, I believe, is here, and will testify.

Mr. VELDE. I would like to know if Mr. Gauss knows.

Mr. GAUSS. I wouldn't know at this time. I am sure, sir. [After consulting document:] Yes, I recognize the initials of the author of that telegram, the original drafter of it. Whether he did it under instructions or in consultation with others, I wouldn't know.

Mr. VELDE. Who is that person?

Mr. GAUSS. JCV.

Mr. VELDE. And do you know who that is?

Mr. GAUSS. Yes, John Carter Vincent. But it doesn't necessarily follow that if he was the drafting officer on that that he originated it.

Mr. VELDE. No; I appreciate that; and the same, I think, is true of Mr. Welles, isn't it?

Mr. GAUSS. Yes; they have given us there a photostatic copy of the instruction that was signed by Mr. Welles. It might have any number of initials on it; I believe it does, even the legal adviser; but I wouldn't know when I got it in China. All I would get was the original without anything, so I don't know how it originated.

Strictly speaking, the instruction that I got from the State Department was sound, and healthy, although I think it could be disputed from a legal standpoint. It was purely a legal question involved.

As to whether or not I had been doing what was strictly—and I considered that was undesirable to give any face or countenance to this man who was publishing this magazine which was one the French authorities, the international authorities, and the Chinese authorities, objected to as being prejudicial to peace and good order, and whose views I confirmed by our examination of the publication in the consulate general.

Mr. TAVENNER. Are these two exhibits, that is, Gauss No. 1, which is the telegram of May 13 from the State Department to you, inquiring as to the basis for your action, and the instructions issued to you on July 12, constituting Gauss exhibit No. 3, the only documents that you received from the State Department as far as you recall, or from examining these files?

Mr. GAUSS. To the best of my knowledge and belief, yes.

Mr. TAVENNER. In view of the nature of the comments made by Mr. Pitts in his report of his conference with Mr. Pilcher, I desire to ask you this question:

Did you receive any request from the State Department, either directly or indirectly, indicating a desire on its part to extend any special privileges or concessions to the Granichs?

MR. GAUSS. Oh, no.

MR. TAVENNER. Do you know, or do you have any information, that anyone in your office received any such request?

MR. GAUSS. No, no; I don't believe that any such request was ever made. I cannot conceive of any coming from the State Department.

MR. TAVENNER. Nothing has come to your attention?

MR. GAUSS. Nothing.

MR. TAVENNER. To indicate the use of any pressure by the Communist Party, or any members of it in the manner in which you should handle the Granichs?

MR. GAUSS. Oh, no, indeed; the Granichs or anyone else.

MR. TAVENNER. I wish you would explain to the committee what you consider the importance of the issuance of such a publication at that particular time, was to the American interests in China?

MR. GAUSS. Well, there existed in China at that time a very tense situation between China and Japan because of the Japanese incursion, first, in Manchuria, then into North China.

And, of course, it did not break out in Shanghai until 1937, although there had been the incident in 1933.

The Communists in China were very strongly anti-Japanese and urging Chiang Kai-shek to resist the Japanese. Chiang Kai-shek was not militarily in a position to resist the Japanese except for a very brief period, perhaps, and naturally, the Nationalist Government was seeking to hold this situation to invoke foreign assistance and support, if they could get it, and to suppress the radical student agitation which was being fomented there by Communist and other interests toward demonstrations and disturbances, anti-imperialist, and so on.

Now, as to these publications, after all, they were in English. There were not a large number of Chinese who could read them, but there would be enough Chinese reading them, to whom they would be distributed, who would then read them to the others and stir up anti-government, antinationalist government, anti-Japanese, anti-imperialist, if you will—we were imperialists, too—and the foreign people.

It was undesirable in a country where their laws prohibit and punish Communist propaganda for an American to go in, first to concern himself in the political and internal affairs or external affairs of that country, and, secondly, to be circulating Communist propaganda or propaganda calculated to disturb peace and order.

Therefore, these publications—and this is not the only one—there is a record of a number of them behind this, the Searchlight Publishing Co., and there have been those cases where we had to deal, and it was very difficult to deal, with those propositions.

After all, these are American citizens. We have a right to free speech under the Constitution, although I believe that it has been held the Constitution does not follow the flag.

But we had all sorts of difficulties trying to deal with the situations, meeting complaints from the Chinese Government or authorities, from local authorities, and from others. We did the best we could under the circumstances.

And I think that what I did in Shanghai in the present case was the thing that I would do again under any circumstances.

MR. VELDE. Mr. Gauss, this publication was actually printed in the States; was it not?

MR. GAUSS. No; it was printed in Shanghai.

MR. VELDE. In Shanghai? Well, now, if the State Department had taken the attitude that this publication was designed to cause unrest and disturbances, and probably poor relations between the Chinese and the United States, would it not have been possible for the United States or the State Department to have stopped that circulation of that publication in China?

MR. GAUSS. How?

MR. VELDE. I am just asking you that.

MR. GAUSS. We had a district attorney there. We had a district court of the United States. He examined this case. He could find no basis upon which he could take any action against Mr. Granich.

That is why I say that if it had been possible for us to have had martial law in 1937, when this thing broke out, we might have been able to, and that is the only way I know of to have stopped it.

MR. TAVENNER. Mr. Gauss, in that connection, if we had extraterritorial rights in China today, would ask you a number of questions regarding possible improvement through the legislative approach of the handling of situations of this kind, but it would be rather a moot question now.

MR. GAUSS. We have lost extraterritoriality throughout the world except, I believe, in perhaps Morocco.

MR. WOOD. I take it from your testimony here, Mr. Gauss, that you have taken some pains to familiarize yourself with the contents of the publication?

MR. GAUSS. Oh, yes; we examined every copy that came in to the Consulate General.

MR. WOOD. In the last sentence of your telegram to the Secretary of State of May 1937, you conclude by saying:

The Department is aware that there is suspicion that the activities of Granich are being conducted in the interest of the Third Internationale.

I take it that you were expressing your own opinion?

MR. GAUSS. No, sir. I base that statement upon an official dispatch addressed to me as Consul General by the President of the Chinese District Court in Shanghai, which stated that they had had a report that Mr. Granich and his wife—I don't remember whether his wife was in there, or not—had come to China as agents of the Third Internationale to conduct Communist propaganda, anti-Nationalist propaganda.

MR. WOOD. In the light of that information that you received from that source, together with your personal appraisal of the contents of the publication, the word "suspicion" in here was rather an understatement, was it not?

MR. GAUSS. Perhaps an understatement; but, Mr. Chairman, I asked the Chinese authorities in reply to their dispatch to me to give me any proof that they had that Mr. Granich was a representative of the Third Internationale. I never had any proof forthcoming. I doubt whether they could produce it.

It was probably—

MR. TAVENNER. In that connection, referring to a dispatch of yours of April 25, 1936, I will read to you this sentence:

While nothing has yet been developed to prove that Granich or his wife may be engaged in Communist activities in Shanghai, I should mention that in discussing the Voice of China with an American journalist, who has at times been in more

or less close touch with the Soviet activity in China, he expressed the opinion that it may represent a Communist intent and anti-Japanese propaganda.

Although you were not fortified with the facts at that time as to any Communist Party connection of the Graniches, if that were true, the publication of this magazine constituted a very serious threat in Shanghai, did it not?

Mr. GAUSS. Well, I feel so, I feel so; I certainly do.

Mr. VELDE. I take it that you satisfied yourself that Max Granich and his wife Grace were not registered with the State Department or the Department of Justice as foreign agents?

Mr. GAUSS. At that time there was no such law, sir.

Mr. VELDE. That is probably right.

Mr. GAUSS. Thirty-six and thirty-seven.

Mr. VELDE. That is probably right.

Mr. GAUSS. They were asked at the consulate general—without disclosing the dispatch from the Chinese authorities—they were asked whether they were Communists, and they denied it. I think that appears in one of my dispatches. I noticed that yesterday as we went through.

Mr. TAVENNER. You reported to the State Department that Granich had denied that he was a member of the Communist Party, and denied any Communist Party affiliation on the part of his wife.

Mr. GAUSS. I think so. I don't recall the exact report there, but it was made based upon inquiries we made. Of course, these inquiries were made largely by a member of my staff, Consul Pilcher, who was a very able man—a younger man, but he handled this and other cases very well.

Naturally, I was always in constant touch with him and he consulted me and he followed my instructions.

Mr. TAVENNER. I will ask you to read from your dispatch of April 25, the paragraph on page 5, beginning with the words "Mr. Granich."

Mr. GAUSS (reading):

Mr. Granich, when questioned at the consulate general, denied emphatically any Communist affiliations. He also denied any knowledge of a Miss Schmidt. He stated that his wife assists him in his enterprise and that neither he nor she is a Communist. He also denied that he is preparing to publish any book.

Mr. TAVENNER. I think, Mr. Chairman, that covers all that I had in mind asking Mr. Gauss.

Mr. WOOD. Do you have any questions, Mr. Velde?

Mr. VELDE. No; except I would like to thank Mr. Gauss for his very direct and useful testimony, and make this remark: That if the American authorities operating in foreign countries, apparently diplomats, do not have any legal way of stopping the circulation of subversive material, I think it is high time that the Congress made available some way to our American diplomats operating in foreign countries to do just that.

Mr. GAUSS. Ordinarily, of course, Mr. Velde, the local authorities and local law governs. This was only in this extraterritorial jurisdiction where you have American control over Americans that the difficulty arose.

Now, throughout the world, generally, with the exception, I believe, of Morocco and, I believe, perhaps, Mascat, Onan, or some place like that, we have given up extraterritorial jurisdiction.

Mr. VELDE. As a matter of fact, Mr. Gauss, the regulations now governing and those that you abided by, required that you not only allow the circulation of it, but if any of the foreign countries stopped circulation on this type of material you had to get it back for American citizens?

Mr. GAUSS. Well, it wasn't much use to them when we got it back. They couldn't circulate it.

It is true, it would have been desirable, if we could have had something in the way of legislation at that time, Congressman.

But, you know, I think that the Members of Congress would be very wary about interfering with complete freedom of the press, and so on.

Mr. VELDE. Certainly we believe in freedom of the press. We believe that that freedom should be protected above the right of the freedom to circulate subversive material. I think there are two rights and two freedoms to be considered. The higher one is the freedom of the press to circulate American material and not subversive material.

Mr. GAUSS. That is right. I don't think you find the American press represented abroad complaining of any suppressive activities on the part of our American Foreign Service. As a matter of fact, they have been helpful to us and we have been helpful to them.

Mr. WOOD. We appreciate your courtesy and we hope that your presence here has not inconvenienced you.

Did you have a question, Mr. Counsel?

Mr. TAVENNER. Yes; I have another question.

I want to make certain that I understand the distinctions that you made with regard to your practice there and the practice directed by the instructions.

If I have understood your testimony correctly, it means that you were required to object to any seizure of American property; that is, property of American citizens?

Mr. GAUSS. Yes.

Mr. TAVENNER. Or the arrest of an American national?

Mr. GAUSS. Oh, yes.

Mr. TAVENNER. But that you were not required to interpose any objection as to the suppressing of circulation by persons other than American nationals; is that correct?

Mr. GAUSS. That is quite correct. I was not instructed to interpose any objection to circulation, or the suppression of the circulation by others. It was only this physical property that I was told not to allow to remain in the hands of the people who seized it. But remember, there was always, as I maintain in dispute of the State Department, a legal remedy that these people had.

In the first place, they could have gone into the Chinese courts when the first seizure took place, and there interposed and said, "This is our property. We want it back."

And if they had been denied justice then, then they were entitled to appeal for diplomatic intervention. The French police, when they seized any copies, if they had retained them and refused to give them back, they could have gone into the French court. They had a legal remedy.

My action in refusing to support them didn't bar them from any legal remedy. If they were seized by the international municipal

police they could have gone into the court of consuls—I was president of that court, by the way—and could have brought an action against the municipal consul to retain possession of those documents. They were not denied any legal means.

It was only after they had pursued their legal remedies that they might have had a claim to diplomatic intervention.

And would our diplomatic representatives have wanted to represent themselves to Chinese courts or Chinese authorities as giving face and countenance to this publication?

I said, "No," the Department said "Yes." You ought to try to get these back without having—in other words, without their having to pursue these legal remedies.

And in 99 cases out of 100, in assisting American citizens, we would try to do something for them to avoid the necessity of their proceedings in the courts.

Mr. TAVENNER. That is all.

Mr. WOOD. Very well, if there are no further questions, the witness may be excused.

Mr. TAVENNER. Is Mr. John Carter Vincent present?

Mr. WOOD. Mr. Vincent, will you raise your right hand, please, sir?

Do you solemnly swear the evidence you will give this subcommittee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. VINCENT. I do.

Mr. WOOD. Have a seat.

TESTIMONY OF JOHN CARTER VINCENT

Mr. TAVENNER. You are Mr. John Carter Vincent?

Mr. VINCENT. I am, sir.

Mr. TAVENNER. Mr. Vincent, a subpoena duces tecum was served on the State Department for the production of certain records before the Committee on Un-American Activities, at a meeting of the committee to be held on November 27.

On November 26, the chairman advised the State Department that the hearing would be continued until January 8, and in his letter he made the following request:

It will be appreciated if, in the production of the records, you—
meaning the Secretary of State—

have the person appearing be one qualified to explain the documents produced under the subpoena.

I have been notified that you have been selected to appear here for that purpose.

Mr. VINCENT. Yes, sir.

May I say, Mr. Tavenner, that I am not a lawyer, so where you get down to fine legal points I have been authorized to say on a fine legal point the Legal Division will be glad to send somebody down on that.

It is the document that you have there, the drafting?

Mr. TAVENNER. Yes.

What is your profession?

Mr. VINCENT. Diplomatic agent in Tangiers, Morocco.

Mr. TAVENNER. Will you state briefly for the committee what your position is and what your assignments have been when in the State

Department beginning with your first coming into the State Department?

Mr. VINCENT. Yes. I entered the Foreign Service in 1924 and served the next 10 years in China at various places, Hankow, Manchuria, and various places, Peking.

In 1935 I came home. I was in the Department of State until 1939 which is the period covered by this particular case here.

Mr. VELDE. Between 1932 and 1939 were you in—

Mr. VINCENT. No, 1935. Going back to the Searchlight case, I was not in the Department when the Searchlight case took place, but during this particular case here. There is a date, 1932, that comes in, because the Voice of China case goes back for support to the Searchlight case in 1932.

In 1939 I went to Geneva as consul and went back again to China in 1941 where I served in Chungking from 1941 until 1943 under Mr. Gauss, who has just testified here, as Ambassador.

In 1943 I came back to the Department of State, stayed there until 1947, when I was appointed American Minister to Switzerland, where I stayed until the past year when I went to Tangiers.

Mr. TAVENNER. Mr. Vincent, I hand you Owens exhibit No. 3, which is a report by Detective Sergeant Pitts, special branch, Shanghai municipal police, under date of September 2, 1937, of an interview with J. B. Pilcher, vice consul at Shanghai, on the subject Voice of China.

Will you please examine it? [Handing document to the witness.]

Mr. VINCENT. Yes.

Mr. TAVENNER. Have you had an opportunity?

Mr. VINCENT. I have not seen this particular document. I have had an opportunity to look through the others, but I have not seen this one.

Mr. TAVENNER. This document came from the Shanghai police files.

Mr. VINCENT. Yes.

Mr. TAVENNER. You have not seen it?

Mr. VINCENT. Not to my recollection.

Mr. TAVENNER. Were you familiar at the time of the writing of that report with the activity regarding the Granich case?

Mr. VINCENT. I was.

Mr. TAVENNER. I call your attention particularly to the second paragraph in the Pitts' report, which reads as follows:

Mr. Pilcher stated that at the moment the American consulate general in Shanghai was in an invidious position, since the Department of State in Washington has recently reprimanded him for continually harassing the activities of Max Granich, editor and owner of the publication in question.

This was brought about, it would appear, by a protest made to Washington by high-placed Communist circles in the United States regarding the treatment accorded Granich by the American authorities in Shanghai.

Would you please explain to the committee what reprimand, if any, the consul general was given by the State Department regarding his method of handling the Granich case?

Mr. VINCENT. Yes, sir.

First, I will say that I don't think that anybody in the Foreign Service office which was the drafting place ever thought this was a reprimand to Mr. Gauss. No one in the State Department, in the Far Eastern Division, would have considered the dispatch which we have already had read here as a reprimand to Mr. Gauss.

I would say further that probably there was no more highly respected man in the field than Mr. Gauss, and I have every reason to know that first hand.

Therefore, what it comes down to is this: That the dispatch, which you will recall when reading it, supported Mr. Gauss in the cancellation of the registration and went probably a little further than he was, in even suggesting that he could tell the Chinese that they could take measures to deny this magazine circulation, but on the technical point of when under extraterritorial treaty rights you were bound to consider those seized magazines as American property, even though they were in the post office, and enter a protest to get them back.

It was just on that narrow point that you come to a difference of opinion, if even it could be called a difference of opinion, on interpretation of a man's treaty rights.

So, I would like to add that—and I don't think that Mr. Gauss himself considered it a reprimand—it was a difference of opinion on a legal point.

Mr. TAVENNER. Was there any expression of opinion conveyed by the State Department or any employee in it from Washington, to your knowledge, either directly or indirectly, to Mr. Gauss or any member of the consulate general's office in Shanghai, that would indicate a desire or a purpose on the part of the State Department to go easy with the Graniches?

Mr. VINCENT. Not to my knowledge. Not to my certain knowledge, and I cannot account for the fact that people might have had correspondence, but I know of no one who would have written Mr. Gauss from the State Department who would—I gather you mean might have said "Play this one easy on Granich," because of what I see here—that there was probably some trouble kicked up in America over the treatment of Granich, I mean, from your police report.

Mr. TAVENNER. Was there any trouble kicked up here in the United States over the treatment that Granich is alleged to have received by Mr. Gauss?

Mr. VINCENT. I only assume that from this report I have just seen here. I didn't know it at the time. I don't recall that there was any pressure brought to bear, or any other thing, but I gather from this police report, if it was true, that there had been some complaints reaching Shanghai on a personal basis, unofficial basis.

Mr. TAVENNER. You have examined the State Department files?

Mr. VINCENT. Yes.

Mr. TAVENNER. Apparently before coming here?

Mr. VINCENT. Yes. I didn't have too much time, but I have examined them sufficiently carefully, I think, to testify.

Mr. TAVENNER. Did you find any records of any character in the State Department files that would indicate that any person within the State Department had been solicited or interviewed by any outside person in behalf of the Graniches?

Mr. VINCENT. No, sir.

Mr. WOOD. Exclusive of what the records show, do you have any independent recollection?

Mr. VINCENT. No; I have none at all.

Mr. WOOD. Can you give us any idea as to what the Shanghai police had in mind when they made the statement in that report?

MR. VINCENT. No; I cannot, except that I can surmise that there may have been people in New York or someplace else who had written out to China, not in the State Department.

MR. WOOD. I do not want you to "surmise." I asked you if you know.

MR. VINCENT. No.

MR. WOOD. Prior to reading that report, have you ever heard of such a thing?

MR. VINCENT. No.

MR. TAVENNER. I wish you would examine Gauss exhibit Nos. 1 and 2, and state whether or not the appearance of your initials at the bottom of the report indicate that those reports were drafted by you.

MR. VINCENT (after examining document). Yes, sir; they were drafted by me.

MR. TAVENNER. They are not reports. They are messages.

MR. VINCENT. No; but I was the drafting officer. I might explain. Do you wish for me to explain my position then?

MR. TAVENNER. Yes; I would like for you to explain your position then and the purpose of the drafting of first, the telegram of May 1, 1937, which is Gauss Exhibit No. 1.

MR. VINCENT. Well, first, as to my position. My position was then what we would call assistant desk officer to the China desk officer in the Department. I had been back in the Department a matter of a year. Various and sundry assignments were given to the junior officers. That was one of my assignments. Whenever anything came in on the Eastern Publishing case, it was something that I was supposed to initiate action on.

This drafting of this telegram was drafted in connection with the whole group of people you find on the initials here. Primarily, however, I might say, in connection with consultation with the Legal Division, where I see here the initials of Mr. Francis Xavier Ward. That is the origin of this.

The origin, or what called for it, was Mr. Gauss's first report that the seizure had been made of, what is it, 400 or 4,000 copies of the Voice of China, in the post office. That was sent out to get a clarification from him of just what had happened.

MR. TAVENNER. May I see that a moment?

Now, the specific request made by the Department in this telegram is, reading from the document, Gauss Exhibit 1:

The Department would appreciate receiving from the consulate general an explanatory statement of the ground upon which the consulate general has declined to intercede on behalf of the Eastern Publishing Co. in an endeavor to obtain the return to the company of the copies and volumes of the Voice of China seized by the Chinese postal authorities.

Well, actually, Mr. Vincent, there had been very full reports—had there not?—from the early part of 1936 on up to 1937, made by Mr. Gauss explaining what the whole situation was there with respect to Granich? Then, why was it you felt it necessary to point out to him in this telegram that he should furnish you with the grounds of the examination if his reports were reasonably full regarding his action?

MR. VINCENT. I think you will find that this was only the second case that had come to our attention of seizing magazines. I don't recall the file too well, but I think you will find that I wrote a memo-

random on that particular thing. Anyway, we took the attitude that Gauss, in this matter of telling the fellow he could seek legal remedies, was more or less to be supported and could be supported as the proper attitude.

Mr. VELDE. And you say that you have no idea what the background of this request by telegram was, who made the complaint to the State Department?

Mr. VINCENT. That I don't know, Mr. Velde. If somebody made the complaint, I don't know the sequence there, whether he had it. I don't know the file well enough now, whether we had had notice from Gauss, and action had been taken in a telegram, or whether we were notified from someplace else.

Mr. VELDE. Did you not just recently review the files?

Mr. VINCENT. Yes.

Mr. VELDE. How was this case in the file?

Mr. VINCENT. How did we get knowledge?

Mr. VELDE. What was the heading of the case?

Mr. VINCENT. Of the case?

Mr. VELDE. Yes.

Mr. VINCENT. The case was called Eastern Publishing Co.

Mr. VELDE. And you went through all of those files before selecting these documents to bring over to the committee?

Mr. VINCENT. No, sir; I didn't bring these documents over here.

Mr. VELDE. But you did go through the files?

Mr. VINCENT. Yes; I went through the files.

Mr. WOOD. In order to clarify that, Mr. Velde, and others who may be interested, the entire file is here, and at my request the Department has selected Mr. Vincent to appear, because, having been connected with it, he was thought to be in a better position to explain any questions we desire to ask about it.

Mr. VELDE. I see. It is difficult for me, Mr. Chairman, to see why there is nothing in the file, and that Mr. Vincent has no recollection of who made the complaint about this Eastern Publishing Co.'s Voice of China being seized.

Mr. VINCENT. Well, I don't know, Mr. Tavenner may be able to find that there was a preliminary report from Gauss that the thing had been seized. There may be one small document there that there had been an attempt to seize these magazines in the post office, or it may have been through the press.

Mr. TAVENNER. Mr. Chairman, I interrogated Mr. Gauss regarding his dispatch to the Department of March 20, 1936, I recall, in which he recited the fact of seizure of 350 or more copies of the first, second, third, and fourth issues of the magazine.

Mr. VINCENT. Mr. Tavenner, may I interrupt? That telegram you just showed me probably has a reference at the top; does it not?

Mr. TAVENNER. Yes; it does [handing document to the witness].

Mr. VINCENT. And I think if it has a reference it must be in our file. It has reference to dispatch 665, March 12, 1937. I think you will find that there we had probably made an initial report on the action.

Mr. TAVENNER. Mr. Chairman, I have already made mention of the dispatch of March 20, 1936, reporting the seizure of copies. Now I

refer to the March 12 dispatch, March 12, 1937, in which Mr. Gauss advised:

There is enclosed herewith in this connection a copy of a letter dated March 9, together with a copy of its enclosure, addressed to the consulate general by Mr. Granich in regard to the detention by the local postal authorities of 1,500 copies of the February 15, 1937, issue of the magazine, together with two bound volumes thereof, including issues 1 through 19, inclusive.

A copy of the February 15, 1937, issue was forwarded to the Embassy and an enclosure to dispatch No. 689 of February 25, 1937, above referred to.

The United States dispatch from Singapore dated February 27, 1937, stated that the Voice of China, published at Shanghai, had been banned at Singapore from that date, and that the magazine was said to have violated the seditious-publications orders.

So, that is the report March 12, 1937, showing the seizure at that time by postal authorities, and the complaint by Mr. Granich. So, those are two instances, prior to your telegram of May 13, of complaints by Granich.

Mr. VINCENT. Yes. I may say that I don't know whether it is germane to the point, but Mr. Gauss made the point that the 1936 seizure was purely an informal one.

Granich came in and complained, but did nothing about it. But in this case he made a written complaint on it. I don't know whether it is of any great importance, but there was the informal one he made the first time, and the formal written letter.

Mr. WOOD. Could you explain to me why it was deemed less important when the first seizure was made in 1936 by the police than when the second seizure was made in 1937 by the post office?

Mr. VINCENT. I am afraid, Mr. Chairman, I cannot. It has somewhat puzzled me; but I think the documents there will show that on the first seizure Mr. Gauss simply told him that he could seek his legal remedies when he came in on an informal basis, and in the second case the argument was that they had ceased, I think there, to have an American character, by being entrusted to the post office.

I am trying to state a legal point of view without any legal background at all. But apparently the legal division in the State Department did see a difference.

Mr. WOOD. If the first seizure in 1936 was reported to the State Department, it seems they took no action at all.

Mr. VINCENT. That is right.

Mr. WOOD. That seizure was made by the police. A year later, when a seizure was made by postal officials, then the State Department took action.

What I am puzzled about it, What is the difference?

Mr. VINCENT. As I say, I am equally puzzled, to a certain extent; except in the first case, the man did not come in and make a written protest. I am searching for a reason for it.

Mr. WOOD. And that fact, coupled with the statement to the effect that Communist sources complained to the State Department, immediately after which, the State Department did take it up, was what prompted me to ask you if you knew, or if you had any information about it.

Mr. VINCENT. Yes. I have no knowledge of Communist sources complaining to the State Department on the Granich case.

I think, Mr. Tavenner, you will find also a memo in there which does mildly answer the chairman's question there, on the 1936 attitude, as one drafted by me, in which we stated we supported the Gauss attitude because he did have some reason, since he had made no formal protest.

It is a memo—a general summarization of the case as it was then in 1936.

MR. TAVENNER. Now, in that connection, we have discovered several departmental communications, interdepartmental communications, from which it appears that the State Department disagreed with Mr. Gauss, and others in the Far East regarding the subversive character of this magazine.

But I believe, at the same time, that you do take the position of justifying his action generally; is that a correct statement?

MR. VINCENT. If I recall what you are referring to, I think you will find a memo which I wrote, in which it is stated that the examination of the Voice of China did not show that it was carrying out Communist propaganda; that it was anti-Japanese and that it was stirring up trouble, but it was not—is that not the reference?

MR. TAVENNER. Yes; your memorandum of June 12, 1936.

MR. VINCENT. Yes; I think you will find that is—

MR. TAVENNER. It seems to carry that out, and I refer you to the last paragraph on page 2 and ask you to read it [handing document to the witness].

MR. VINCENT (reading):

An examination of the copies of the Voice of China sent to the Department by the consul general discloses that the magazine contains a large amount of anti-Japanese material and material calculated to appeal to students and radicals. The examination does not disclose that the magazine is disseminating Communist propaganda or that it is engaged in subversive propaganda directed against the Chinese Government.

MR. WOOD. That is your memorandum; is it not?

MR. VINCENT. Yes, sir.

MR. WOOD. At the time you formulated that, had you familiarized yourselves with the contents of this publication? Had you read it?

MR. VINCENT. I don't recall whether I read it or somebody else read it in the Far Eastern Office.

MR. WOOD. You were familiar with it? I will ask you that.

MR. VINCENT. Yes.

MR. WOOD. Was it your opinion, then, that it was not a periodical disseminating Communist propaganda?

MR. VINCENT. That was my opinion.

MR. WOOD. Is it still your opinion?

MR. VINCENT. I haven't read these things since then, but at that time it was my opinion and Mr. Gauss' opinion.

MR. WOOD. I am not asking you to commit Mr. Gauss, but I want you to commit yourself, if you will.

MR. VINCENT. I am just referring to Mr. Gauss' dispatch just preceding this, which makes exactly the same statement.

MR. WOOD. I want to know categorically, if I may, if, at the time you dictated that dispatch, you were familiar with the contents of this document being published over there, known as the Voice of China.

MR. VINCENT. Yes.

Mr. WOOD. And this represents your evaluation of it? It still does?

Mr. VINCENT. I haven't reread them since I came back to America. But I would like to find, Mr. Chairman, if I can, Mr. Gauss' statement, where he makes exactly the same statement.

Mr. TAVENNER. We haven't found any such statement as that.

Mr. VINCENT. It is in one of the documents.

Mr. TAVENNER. In fact, we have introduced in evidence here his statements from several dispatches as showing just the contrary view. But I would like to find it, too, if you say it is in there.

Mr. VINCENT. I know where it is. I can find it very quickly.

Mr. OWENS. That is the complete file.

Mr. TAVENNER. Are you referring to dispatches in which Mr. Gauss concluded that it was detrimental to the good order of the International Settlement?

Mr. VINCENT. Yes; I won't hold you up more than a moment. I think it is right here.

Mr. TAVENNER. All right. We know what you are speaking of, if that is what you are referring to.

Mr. VINCENT. Here it is, Mr. Tavenner, in his enclosure to his dispatch of April 25, I think it is. And it is a letter of his to this judge, or president, of the second branch of the Kaingsu High Court. It is an enclosure to what would be document CO/2.

Mr. TAVENNER. Now, will you read it, please?

Mr. VINCENT. Yes, sir; this is replying to this judge.

The consulate general has obtained and examined a copy of the Voice of China published by Granich under date of March 15, 1936. It has been unable to ascertain that any further issue of this magazine has been published, and it has, so far, been unable to ascertain that Granich has been engaged in any other publication activities. No evidence can be found by this consulate general that Granich is a representative of the Third Internationale in China; nor does an examination of the Voice of China seem to bear out the allegation that Granich is engaged in the propagation of communism. Nothing is known at the consulate general concerning a Miss Schmidt. * * *

Mr. TAVENNER. That was based on an examination of the first issue?

Mr. VINCENT. That is right. I think you will find that is about the only issue we had at that time. We may have had one more issue. By the time I wrote my memo, yes. By the time I wrote my memo, we had one more issue, as I can see by these files. Or maybe it is the same issue. No; we had one more issue, presumably.

Mr. TAVENNER. Were you present in the hearing room when Mr. Gauss read the last paragraph of his reply of May 19, which is Gauss Exhibit No. 2?

In any event, I would like you to examine that paragraph, read it and examine it, and state whether or not the views expressed there of Mr. Gauss are contrary to the views that the Department has regarding the subversive character of the magazine.

Mr. VINCENT. None whatsoever on my part. I mean, I can't vouch for what the attitude of everybody in the State Department was at that time. In other words, the difference of opinion, as I have said, was whether, in the exercise of what were our duties to protect the treaty rights of Americans, you had to protect the property. The State Department decided that you had to protect Granich's property as an American citizen in an extraterritorial company.

I think you will find a reading of our dispatch almost supports that thing right down the line, except for the one item of whether at least a pro forma attempt should be made to extend to him his extraterritorial rights.

Mr. VELDE. Who was your immediate superior in the State Department during 1936 and '37?

Mr. VINCENT. The Chief of the Division, Mr. Velde, was Stanley Hornbeck.

Mr. VELDE. And was he directly under Sumner Welles?

Mr. VINCENT. I suppose you would say so. There may have been a political Assistant Secretary in between him and Welles. When I say "direct," let me say that the chain of command was much more than that.

I was assistant desk officer. Mr. Miles was desk officer. And Mr. Hamilton was Assistant Chief. And everything went through that line, as you will see from the initialing of all these documents.

Mr. VELDE. Did you personally have knowledge of letter written by Sumner Welles, or at least signed by him, directed to Mr. Gauss, in which the State Department took the attitude that this was subversive propaganda or was Communist propaganda, and agreed with Mr. Gauss on that? Did you have anything to do with that letter?

Mr. VINCENT. When you see the letter—I am not being technical—

You mean the dispatch we have already had here as exhibit No. 5?

Mr. VELDE. Yes.

Mr. VINCENT. I assisted in the drafting of that. Mr. Ward of the legal office and I drafted that. So you ask if I had knowledge of that; yes.

Mr. VELDE. You disagreed then with the contents, when you said that the Voice of China was not Communist propaganda?

Mr. VINCENT. There is a difference in what he says in this document, that now we have lost again. Mr. Gauss never said it was Communist propaganda, but that it was carrying on activities that were—

calculated to foment discord and to disseminate propaganda prejudicial to peace and good order and to friendly relations between peoples and governments with which the American Government and people are at peace.

Mr. VELDE. But to get your position clear on that, you agreed with that point of view—that there was that type of activity?

Mr. VINCENT. It was an activity which was prejudicial to our interest in China at that time; because we were supporting the Nationalist Government of China, and this magazine was in a rather indirect way embarrassing the Chinese Government by its anti-Japanese attacks. Lord knows many of us were anti-Japanese, but it wasn't a very good idea to have this magazine, an American magazine, fomenting trouble, when what we were trying to do was to keep things as quiet as possible.

As you may recall, the Japanese had just within a few months before evacuated Shanghai after a rather prolonged occupation of Shanghai following the Manchurian incident.

No, I am thinking of 1932 now, when I was in Manchuria. They had just covered North China. That was it. The Japanese were occupying North China.

Mr. WOOD. Most of the police in the International Settlement were British?

Mr. VINCENT. British; yes.

Mr. WOOD. You were cognizant of the fact that the British police were complaining that this periodical, the Voice of China, was a Communist organization?

Mr. VINCENT. We were cognizant of it through Mr. Gauss' report.

Mr. WOOD. Were you not cognizant of it through the complaints of the police?

Mr. VINCENT. Well, Mr. Chairman, you are asking something there—Mr. Gauss was making the reports, and it was up to him to take the action.

We were cognizant; yes.

Mr. WOOD. I am getting back to the question I asked you a while ago, as to whether you considered this publication a document disseminating Communist propaganda.

You said you did not.

Mr. VINCENT. That's what I said.

Mr. WOOD. I am now asking you if you did not know that the Shanghai police were officered and largely composed of British citizens, and that they were complaining of that.

Mr. VINCENT. That is right. They were complaining to Mr. Gauss.

Mr. TAVENNER. I hand you an interoffice memorandum bearing date May 24, 1937, a year later than the time you placed your first appraisal upon the Voice of China, and I will ask you to examine it and to state whether or not you prepared that memorandum.

Mr. VINCENT. Yes, sir.

Mr. TAVENNER. Then I will ask you to read the paragraph on page 2, beginning with the words "An examination."

Mr. VINCENT (reading):

An examination of the Voice of China in the Department disclosed that the magazine contained a large amount of anti-Japanese material and material calculated to appeal to students and radicals. The examination did not disclose that the magazine was disseminating Communist propaganda or that it was engaged in subversive propaganda directed against the Chinese Government.

Mr. TAVENNER. That means, then, that a year later you still had the same opinion with regard to the subversive character of the magazine.

Mr. VINCENT. No. This starts out, Mr. Tavenner (reading):

It is believed that a brief résumé of the Eastern Publishing Co. case will be of assistance to the consideration of Shanghai's telegram number so and so.

And this is going back to every step that was taken in the case, March 13, 1936, when the registration was canceled, and it goes right on down to May 20.

And this could be a quote out of the earlier memorandum, and it is all cast in the past, if you understand that.

Mr. TAVENNER. Well, but wasn't a subsequent examination made of the other documents that had come in in the meantime, in order for your memorandum to have any value for the purposes of handling the Granich case?

Mr. VINCENT. That I cannot say. But what I am saying is that in my position my job was to review what had happened so far in the Eastern Publishing case, and that is exactly what the purpose of this memorandum is.

Mr. TAVENNER. But you bring it up to the current date.

Mr. VINCENT. I do; the date of July the 2d. And it brings it right up to March 9, as a purely factual review of the case and the file as it existed at that time.

Mr. TAVENNER. Well, making your estimate of the character of the magazine, did you take into consideration the issues that had been forwarded to the Department since the receipt of the first one, which you have already testified about?

Mr. VINCENT. The first two?

Mr. TAVENNER. The first two.

Mr. VINCENT. That I cannot say. I didn't take it into consideration in this, because this was a review of the whole case as it existed as a file.

Mr. TAVENNER. That seems to me to be a very uncertain type of practice. Because examining that résumé would not give the person any additional information to what he would have had by going back and looking at the old file, the old report.

Mr. VINCENT. Well, you have got to understand that in the position I was in, I was told to review the files in the Granich case up to date.

Mr. TAVENNER. As a file, rather than to review additional evidence.

Mr. VINCENT. That is exactly right. And this contains no additional evidence and wasn't intended to, according to my memory.

Mr. TAVENNER. You have already identified Gauss exhibit No. 3 as having been prepared by you. Those are the instructions of July 12, which I think you have before you.

Mr. VINCENT. I have identified them, sir, as being drafted by me and by Mr. Francis Xavier Ward, of the Legal Division.

Mr. TAVENNER. Mr. Ward is now deceased, is he not?

Mr. VINCENT. He is now deceased; yes, sir.

But I was so familiar with them that I can recognize his initials anywhere.

Mr. TAVENNER. Have you any comment to make regarding the purpose in issuing those instructions?

Mr. VINCENT. The purpose in issuing these instructions was—and I am now commenting more from the legal point of view, and I am probably not on very safe grounds—was in not endeavoring at least to give protection to this American property, irrespective of its ownership; that we were not extending to this person his full rights under the extraterritorial treaty. And on that, as I say, we go back and find that short of that one technicality—this may even go a little beyond what Mr. Gauss would have expected in the suggestion that he might tell the Chinese they might look for means for suppressing this magazine.

Mr. TAVENNER. Can you give the committee the reason for waiting practically 15 months after the first seizure before giving instructions on July 12?

Mr. VINCENT. I can't give you the reasons, other than that if you will, I think, examine the file, in the first case I, myself, indicated we thought Mr. Gauss was within his rights in not responding to this informal request.

And in the second case, I would say, just quoting from memory, the Legal Division decided that something had to be done in this case, not so much for Granich as that it was establishing a precedent of

declining to give protection to the property of an American citizen, which was entitled—as Mr. Gauss brought out very clearly—he was not entitled to diplomatic protection, but he was entitled to the protection of his property under the extraterritorial treaties.

Mr. TAVENNER. Now, you have referred in your telegram of May 13, Gauss exhibit 1, to instructions issued in the Searchlight case.

Mr. VINCENT. Yes.

Mr. TAVENNER. Do you consider that the instructions issued in this case are in all respects within the meaning of the instructions in the Searchlight case?

Mr. VINCENT. I would say that they were certainly, as far as my memory serves me, supposed to be on all fours with that case.

The Searchlight case was probably a little broader case. I think it was a fellow named Isaacs. And in the Searchlight case the same rule was laid down, that diplomatic protection could not be claimed, nor registration, but that the property of an American and his person is subject to protection by the American authorities, because of his treaty rights under extraterritoriality. And I think the Searchlight case even laid down this other point, which doesn't necessarily follow in this slightly anomalous situation in Shanghai, where you couldn't take action against the magazine itself in your own court, as the judge of the United States court had said, but nevertheless the Chinese could take such action as denying postal—nobody was going to object if the Chinese denied postal facilities. That was also, I think, indicated in the Searchlight case.

I think you will find that Mr. Ward was more concerned, and we all were, because there was no sympathy, or I don't think anything shows any sympathy, for this particular person, Granich, in not establishing a precedent here of denying protection to American property, irrespective of the man.

Mr. TAVENNER. If I understand your testimony correctly, you are taking the position that the instructions given were based purely on legal grounds.

Mr. VINCENT. As far as I know, that was the only ground it was based on.

Mr. TAVENNER. Was the Department of State influenced directly or indirectly in any manner to issue these instructions at this late date, 15 months after the first complaint had been made?

Mr. VINCENT. I think I have already testified I would have no knowledge if they had. I mean, I haven't got a stupendous memory, but I certainly would have thought that the action taken was purely one within the Department, not subject to pressure from abroad, from outside.

I would be surprised if it were.

Mr. TAVENNER. Well, referring again to Gauss exhibit No. 1, the telegram of May 13, where you requested him to supply the Department with the grounds upon which he had acted, do you not think that after all the time had elapsed since the seizure of those magazines, the sending of that telegram at that time requesting him to state the grounds for his action, when actually he had reported everything very fully, was in itself intended as a warning sign to Mr. Gauss, or an indication that there was some unusual interest being shown by the State Department in the handling of the Granich matter?

Mr. VINCENT. I certainly wouldn't have thought so at the time and don't think so now, on the basis of what information I have.

I would say that, as I have tried to explain before, the difference—I am not speaking as a lawyer now—it was the first case. He had just come in and explained about the procedures of magazines. And as I said before, there was a memorandum by me indicating that Gauss seemed to have gone as far as necessary by telling me.

The second case came in, and Mr. Gauss had declined to take action in this case, where the magazines were in the post office.

Mr. WOOD. Was he not inclined to take action in the first instance?

Mr. VINCENT. Yes; he said to seek his legal remedy.

Mr. WOOD. He still had that legal remedy in the second instance, did he not?

Mr. VINCENT. I suppose he did.

Mr. WOOD. Are there any further questions by counsel?

Mr. TAVENNER. No, sir.

Mr. WOOD. Mr. Velde, do you have any further questions?

Mr. VELDE. In your connection with the State Department, Mr. Vincent, did you have any knowledge that there were American Communists operating in China at any time during the time you were connected in that section of the State Department?

Mr. VINCENT. I probably did, Mr. Velde, but I probably couldn't recall who they were or what their names were. I wouldn't be surprised if we didn't have reports that there were Communists but I wouldn't know who they were now, at this late date.

Mr. VELDE. You do not have any idea of any prominent American Communists that were operating in China?

Mr. VINCENT. Well, I was in America at the time. I suppose Anna Louise Strong has been identified as a Communist, and I suppose she was in China at the time.

Mr. VELDE. Did you know her?

Mr. VINCENT. No.

Mr. VELDE. Did you know that Earl Browder was over there; he and his wife?

Mr. VINCENT. Earl Browder was over there at some period during this time. He made a trip to China at some time, but I don't recall the circumstances of his going over.

Mr. VELDE. Did you know that Eugene Dennis was over in China?

Mr. VINCENT. I don't know the name Dennis. I know Browder's name, of course, but I don't know Dennis' name.

Mr. VELDE. Well, Eugene Dennis was the head of the Communist Party in the United States, and was recently prosecuted.

Mr. VINCENT. Well, as I say, I have to testify honestly that when you ask me about Dennis, I haven't kept up with the Communist Party, in spite of a great many things that have been said, and I am just ignorant of the name of Eugene Dennis.

Mr. VELDE. Did you know Agnes Smedley?

Mr. VINCENT. I didn't know her. I knew she was somewhere in China, but I didn't hear her identified at that time as a Communist. I never knew her.

Mr. VELDE. Did you have any idea of what kind of work these American Communists were carrying on in China?

Mr. VINCENT. I did not; no, sir.

Mr. VELDE. Did you ever make it your business to find out?

Mr. VINCENT. It wasn't my business; as I said, I was a minor desk officer, and there were other agencies of the Government interested, I suppose, in following Chinese Communists and American Communists in China. But it was not one of my assigned duties or one of my interests at the time to follow subversive activities in China. I had just come back from Manchuria, where I had been stationed for four years.

Mr. VELDE. Did you have any knowledge of American Communists in Manchuria while you were stationed there, I believe you said as assistant to the Ambassador?

Mr. VINCENT. No; I was in Chungking as his assistant in 1943-45.

Mr. VELDE. What was your position in Manchuria?

Mr. VINCENT. In Manchuria, I was vice consul in Mukden for a while when the Japanese took over Manchuria, and I was later consul in Dairen for a while.

Mr. VELDE. Did you have any knowledge of the activity of American Communists in Manchuria?

Mr. VINCENT. No; I don't recall any American Communists in Manchuria at that time. I never met any, if they were operating.

Mr. WOOD. Very well.

Is there any reason why Mr. Vincent should not be excused from further questioning at this time?

Mr. TAVENNER. No, sir.

Mr. WOOD. All right, Mr. Vincent. Subject to call, you may be excused.

The committee will stand in recess until 2 o'clock tomorrow afternoon.

(Whereupon, at 4:30 p. m., Wednesday, January 9, 1952, the hearing was recessed to reconvene Thursday, January 10, 1952, at 2 p. m.)

THE ROLE OF THE COMMUNIST PRESS IN THE COMMUNIST CONSPIRACY

THURSDAY, JANUARY 10, 1952

UNITED STATES HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, D. C.

PUBLIC HEARING

A subcommittee of the Committee on Un-American Activities met pursuant to adjournment at 2 p. m., in room 226, Old House Office Building, Hon. John S. Wood (chairman), presiding.

Committee members present: Representatives John S. Wood, Clyde Doyle, and Harold H. Velde.

Staff members present: Frank S. Tavenner, Jr., counsel; Thomas W. Beale, Sr., assistant counsel; Courtney E. Owens, investigator; John W. Carrington, clerk; and A. S. Poore, editor.

Mr. WOOD. The committee will be in order.

Mr. TAVENNER. Mr. Chairman, I call as to witness today Mr. Morris L. Appelman.

Mr. WOOD. Mr. Appelman, would you stand and be sworn, please?

Do you solemnly swear that the evidence you give this subcommittee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. APPELMAN. I do.

Mr. WOOD. Have a seat, sir.

Let the record show that the chairman has set up a subcommittee for this hearing composed of Messrs. Doyle, Velde, and Wood, who are all present.

Mr. TAVENNER. Mr. Chairman, it developed that the witness's knowledge and experience within the Communist Party is very, very broad, and I think the only logical way to present his testimony is in chronological order.

Many of the things which the witness will be interrogated about have nothing to do with the particular matter in China. Some of them, however, lead up to it.

So with your permission, I am just going to cover the field of experience of this witness.

Mr. Appelman, will you state your full name, please?

TESTIMONY OF MORRIS L. APPELMAN

Mr. APPELMAN. Morris L. Appelman.

Mr. TAVENNER. When and where were you born?

Mr. APPELMAN. New York City, in September of 1904.

MR. TAVENNER. Will you please outline briefly your educational background?

MR. APPELMAN. I was educated in grammar school in New York and went to evening high school in Brooklyn and subsequently attended the courses of various kinds at NYU and the School for Social Research, and took a course at Wood's Business College.

After that, after I became a member of the Communist Party, I had some courses at the Workers' School of the Communist Party. Yes; and I might also mention that later along the line I took a course at L'École du Louvre—that is French for the School of the Louvre Academy—on the history of modern art, at Paris; and attended also a semester at the Hochschul Fur Politik. That, translated roughly, is the Institute of Political Science; in Germany, in Berlin. Just one semester in each of those two foreign places.

MR. TAVENNER. Now, will you state briefly and in a very general way where you have been and what business you have been engaged in since the time you completed your education in this country?

MR. APPELMAN. Well, do you want me to go back to the time I was 13, when I got my first job?

MR. TAVENNER. No.

MR. APPELMAN. About where would you like me to start, then?

MR. TAVENNER. Well, I should say about the time of your first trip abroad.

MR. APPELMAN. That was in about 1925 or 1926. At that time, I was already a Communist. I worked on a ship and went through the Baltic first, and then I got off the ship in Poland, spent some time in Germany, and in those days was particularly interested in art, met a lot of artists in Germany, and traveled with them, particularly with one artist, through different countries of Europe. And I would say in those days I was essentially, if you can call it that, a free lance student, interested in art essentially, although interested in politics as a secondary matter, but not engaged in any organized political activity.

You may wonder how I earned a living. My father sent me a little money, and I wrote an occasional article for different German magazines.

I remember in those days they particularly wanted articles on Al Capone. So I went to the American library there and read the newspapers about Al Capone and fictionalized them somewhat and wrote articles along those lines for German magazines.

I am trying to be helpful. I really don't know exactly what you want at this point.

MR. TAVENNER. When did you leave Germany?

MR. APPELMAN. That first time, I must have come back to America about 1927. I spent about a year in Europe at that time, a little over a year possibly.

MR. TAVENNER. And how long were you in the United States before going abroad the second time?

MR. APPELMAN. Probably a little over 2 years. I think I went back about 1930 or 1931. Maybe 3 years. And then I went back again.

MR. TAVENNER. How long were you in Europe the second time?

MR. APPELMAN. From 1931—I must have been in Europe 2 years, and then went on to Russia in 1933; from there, on to China, and came

back to America in 1935. So that would be a 4-year period. But somehow my memory tells me I must have come back in between for at least one trip back to the States, and yet I can't recall at this moment just when that took place.

Mr. TAVENNER. And did you return to China again after 1935?

Mr. APPELMAH. Yes, I did. In 1937, I was on my way to China when the war broke out in Shanghai, and our ship wasn't allowed to disembark passengers. I went on down to Manila, lived there until the end of 1939, and on the way back from Manila stopped off in China, in Shanghai, for several weeks, and back to America.

Mr. TAVENNER. Now, I would like to begin now with your induction into the Communist Party.

Will you tell the committee where you became a member and the circumstances under which you joined the party?

Mr. APPELMAH. I joined the party, roughly, in 1925, in the city of New York.

At that time I was under the influence of a young man whom I had met previously in New Orleans. His name was George Brodsky. And I learned a good deal about Communist work and its ideals and ostensible purposes, and, in the conviction that it was everything the book said it was, I joined the party at that time. That was 1925, or it might have been the end of 1924.

Mr. TAVENNER. Where did that take place?

Mr. APPELMAH. In New York.

Mr. TAVENNER. Well, what work were you assigned to in the Communist Party, if any, and what was your experience immediately upon joining the Communist Party?

Mr. APPELMAH. Well, at the very outset, I studied a great deal, studied Communist doctrine and teachings and went through the Workers' School as a student and was assigned to a unit. I believe it was a general unit, the type that did street work, propaganda, selling Daily Workers, and going from house to house at election time and holding street-corner rallies, that sort of thing.

But it seems to me within a matter of months, I expressed a preference for working in the seaman's unit among seamen. Part of that was because the party itself thought it was important to work in key industries and with key industrial groups, and that was a pretty strategic group, and partly because I felt it would afford me a chance to get a job on a boat and get abroad and get to seeing different parts of the world.

It was an interesting kind of work, and I expressed an interest in it and did get into that kind of work, as I say, within a matter of months after joining the party.

Mr. TAVENNER. Tell the committee what that led to.

Mr. APPELMAH. Well, as I recollect, the first thing it led to was my actually getting a job on a ship and doing propaganda work as a member of the Communist trade-union. I am not sure if at that time it was called the Marine Workers' Union or another name. There was a change of names right in there. But I actually did propagandize seamen and try to get them, and I think with some success, to join the Communist seamen's union.

The ship that I got aboard, by choice, was a ship run by the Moore-McCormack company. I think it was called the American Seantic Lines. I think that is what it is called today. And I wanted to work

on that line because one of the ports that their freighters touched on the Baltic run was Leningrad, and that gave me an opportunity to get to see Leningrad, which I did.

When we reached that port, the ship was visited by delegates from the International Seamen's Club, and the crew was invited to come to the club headquarters in Leningrad, and we were given a cordial reception, with the usual mixture of social activity and propaganda.

And if you want a personal observation, I might say that that was simultaneously my first real blow or disillusionment, when I saw with my own eyes what had hitherto been merely a matter of propaganda—actual living and working conditions of the people inside the Soviet Union.

I remember saying to myself at the time that if I were a correspondent for the Hearst newspapers, I could certainly make a wonderful story about the dreadful hardships, the hunger, and many other ugly aspects of life in Russia, that naturally we didn't get when we studied Communist propaganda or read the *Daily Worker*: because for example, when the ship left New York some of the sailors had gone to Woolworth's to buy cheap bottles, bits of jewelry, and stockings and rayon underwear, and when I asked them why they did that, after I got to know them, they said they used those things in Russia with an offer of a bit of jewelry or some stockings or something along those lines so that they could get a Russian girl to go to bed with them. And actually that is what they did. They waited outside the factories with that stuff and apparently succeeded to get those girls to go to bed with them for trinkets of that kind.

That, however, I kept strictly to myself, my disappointment; because the overriding thought at that time was that Russia was sacrificing enormously in order to obtain the money with which to buy machinery to make good the first 5-year plan. And as I recollect, the ship I worked on delivered the first Ford tractors and other such equipment to Russia, that was necessary to put the first 5-year industrialization plan of the Soviet Union on wheels.

From Leningrad, the ship proceeded back along the Baltic, but I got ptomaine poisoning and couldn't get medical attention while the ship was in Gdynia, so I jumped ship in Gdynia and went on to Berlin, where I spent several weeks in bed getting rid of that ptomaine poisoning.

And while in bed, I happened to read a statement by Lozovsky, who was then the head of the Profintern.

MR. TAVENNER. Will you spell the name, please?

MR. APPELMAN. L-o-z-o-v-s-k-y, to the best of my recollection. He was the head then of the Profintern, which is the Communist trade union international.

In that statement, he lamented the fact that there wasn't enough good literature that would appeal to people in promoting Communist trade-union activities, and so forth.

That gave me the idea of writing a novel that would deal with Communist trade-union organization and help along the lines indicated by Lozovsky in that article. And shortly thereafter, I set to work and wrote a novel dealing with the life and Communist activity and organizational work aboard American steamers and freighters. The novel came to be known as *S. S. Utah*, and was published in a number

of countries, including the United States, where it ran as a serial in the *Daily Worker*.

Mr. VELDE. Were you acquainted with Joe Curran at that time?

Mr. APPELMAAN. No; I don't think I ever met him. I don't know whether he subsequently became head of the Communist union. I don't think so. But he wasn't in the picture at that time. A fellow named Harry Hines and a fellow named George Mink were heads of the union at that time.

Mr. TAVENNER. Did you engage in any Communist Party activities while in Berlin other than the production of the novel that you spoke of?

Mr. APPELMAAN. No. Actually, I applied—I thought I should have a book, a party book, in Germany, but I was told they do not issue books to American party members. Now, Mr. Counsel, for the record, it seems to me now that I am talking about my second trip to Germany rather than my first. Did I say that that was my first trip to Germany?

Mr. TAVENNER. Your first trip was dedicated largely to activities along art lines, in my general education. This that I am now talking about, was my second trip in Germany, and I am afraid I am a little ahead of myself chronologically, and I would like to get the record straight on that.

Mr. TAVENNER. Now, at the time you wrote the book *S. S. Utah*, was that your second trip to Germany?

Mr. APPELMAAN. Yes.

Mr. TAVENNER. Very well. On your first trip, did you engage in any Communist Party activities while in Berlin?

Mr. APPELMAAN. No.

Mr. TAVENNER. Then you returned from Berlin to the United States about when?

Mr. APPELMAAN. We are talking now about what trip?

Mr. TAVENNER. The first trip.

Mr. APPELMAAN. Well, I went about 1926 and stayed about a year. I must have returned in 1927.

Mr. TAVENNER. Did you reaffiliate or renew your activities in the Communist Party on your return to the United States?

Mr. APPELMAAN. Well, after my first trip—that was a continuation—I then must have reported to my cell and resumed my activity as a Communist, without any special assignment.

Shortly thereafter, however, I was sent to another school by the party, and that was a school for functionaries. In order to go to that school, one had to take an oath to dedicate one's entire life to the party, to be subject entirely to party call and accept a commission in any part of the world.

I took that oath and was thereupon entered in that school, the school for functionaries.

Mr. VELDE. Would you identify the date you took this oath?

Mr. APPELMAAN. I wish I could. It must have been somewhere around 1928.

Mr. TAVENNER. What was the name of the school?

Mr. APPELMAAN. I know it and recollect it as a school for functionaries. The classes were held in the party building at 35 East Twelfth Street.

Mr. TAVENNER. After completing your training in that school, were you assigned a job as a functionary of the Communist Party?

Mr. APPELMAN. Yes, I was. I was assigned the job of organizing, along with another chap, the "hunger march to Albany," which must have taken place the winter of 1929, after the beginning of the depression.

Mr. TAVENNER. Tell the committee briefly what your experience was in that undertaking.

Mr. APPELMAN. We were assigned the task of going from city to city on the way between New York and Albany, setting up committees that would hand out soup and food and otherwise rally the people in those cities, when the hunger march, which was visualized as something that would involve some hundreds or thousands of men and women who would march on Albany demanding that things that were then on the program of the Communist Party, employment relief, and such things—when that hunger march was organized. And this other fellow had been a fellow student at the same school, and he and I went in his car. He had a car. We went places.

The first town I remember was Tarrytown, where, for example, I tried to hire a hall and did hire a hall and proceeded to distribute leaflets.

There were some plants, I think a Chevrolet factory, on the outskirts of Tarrytown, and one or two other plants. And I remember that when I got to the hall, a half hour before the meeting was to have opened, I was told that the police, the Chief of Police in Tarrytown, wouldn't allow the meeting to open.

So I went to police headquarters to remonstrate with the chief of police, because I had already publicly announced the meeting would take place. And I remember that before I could count 10, I was given a black eye and tossed out in the gutter, and the meeting did not take place. And then I was run out of town, in Tarrytown.

That was all the type of thing we did before the hunger march.

From there we went to other places, like Big Steel in Poughkeepsie, and tried to get groups together to be ready for the date set for the hunger march itself, and then we went up to Albany, where we also organized groups, and as you will probably recollect, the hunger march did take place and resulted in quite a row in the State capitol in Albany, and there was quite a lot of altercation, and so forth.

Subsequent to that, I was made the section organizer.

Mr. TAVENNER. Just a moment. Who was your associate?

Mr. APPELMAN. I have been trying to recollect his name. His name was something like Wakefield. I remember he came from the west coast. His father had been in the salmon cannery business, I believe, apparently a prosperous person, because he had a car and he had apparently adequate means to get along with. Something like Wakefield was his name. I can't remember his first name, but I am quite sure that his name was along those lines.

And he and I worked together up to that point. After that he preferred to go into journalistic work for the Communist Party, and I was made section organizer for the cities of Albany, Troy, Schenectady, with instructions to set up an unemployment council and other such activities in that area.

Mr. TAVENNER. From whom did you receive the appointment?

Mr. APPELMAN. I don't remember specifically, but I would assume it was from the organizer of the New York State party, the party that was organized along state lines. And that is my assumption.

Mr. TAVENNER. Was there an organized party in Albany at that time?

Mr. APPELMAN. No. When I got there, we just had possibly three or four individuals whose names were given me as being people who could be recruited into the party, and they were, but there had been no regular party organization either in Albany, Troy, or Schenectady, at the time.

Mr. TAVENNER. Prior to that time, or up until that time, had you met Grace Maul?

Mr. APPELMAN. No; up until that time, as nearly as I can recollect, I had not met her.

Mr. TAVENNER. How long were you engaged in organizational work at Albany?

Mr. APPELMAN. Oh, I should say for 6 or 8 months. It must have been all of that, maybe a little longer; during which time we had what I believe the party considered excellent success. We organized several hundred people in the Unemployment Council, which was engaged in stopping the evictions and distributing Daily Workers and getting the workers educated along Communist lines.

We also set up several units of the party in Albany; I believe also a unit in Troy and in Schenectady. We increased the sale of the Daily Worker to where at one time I believe it was several hundred copies a day. And when strikes broke out, as they did—I remember one strike in a metal plant in Troy and one strike in a paint plant nearby—we intervened and assisted the strikers to the extent we could.

So that there was very considerable activity during that period. In fact, we even organized a little workers' school of our own up there and had instructors sent up from New York to help indoctrinate people in Marxist theory.

Mr. TAVENNER. How long did you continue your work at Albany?

Mr. APPELMAN. For about 6, 8, or 10 months, after which I wanted some relief. It had been a very intensive period of work. I wanted to get away from it for a while.

I might mention that there was another reason. I had some differences with some of the Communist visitors who came up to Albany, one lady from the Friends of the Soviet Union in particular, who had made a statement that in the cafeterias of the workers' restaurants in Russia after each meal the bread that was left over was fed to the pigs.

And having seen something of life in Russia, I told her privately that I thought it was wrong to make such exaggerated statements to workers in this country, because sooner or later the truth would catch up with the party, and it wasn't necessary to paint such a glowing picture.

But I was told that I didn't have the right party spirit, that I was a petit bourgeois intellectual with too much regard for that sort of thing.

Also, on one occasion when the party sent a representative up to collect some money for the striking coal miners in Pennsylvania, I made a public statement that I hoped that this time the party wouldn't repeat the mistakes it had made before.

And for several such statements I received criticisms from representatives of the party in New York; and although I made no outward expression of my discontent, I was nonetheless unhappy about this,

and for this and other reasons I wanted to get away. And I applied for a leave of absence, which was denied me, and I thereupon took the initiative and left Albany and came down to New York in order to once again insist on getting a leave of absence, which was again denied me, whereupon I left, even though I realized at the time it would mean expulsion.

Mr. VELDE. What was the date of that?

Mr. APPELMAN. That was in 1931, I believe. It must have been early 1931.

Mr. TAVENNER. Who was the person from the Friends of the Soviet Union who made the address that you took exception to?

Mr. APPELMAN. It was a woman speaker, whose name I really do not remember. Some lady; I don't remember her name at all. She wasn't a very well known figure at all, in the sense of having an international reputation.

Mr. TAVENNER. Well, on your return to New York, what did you do?

Mr. APPELMAN. Well, I went to the party. I suppose it might have been to Mr. Amter, who, at that time I believe, was the head of the New York State party. At any rate, it was my superior in the party, and I said that I wanted to go back to Europe and get a leave of absence for 3 or 4 months, and it was again denied me.

I was offered a post, again as a section organizer, near New York City.

This person apparently felt that what I wanted was to be closer to New York City, closer to home; which wasn't the case. I refused to accept that, and I proceeded on my own.

I got a job on a boat again and went off to Europe, but this time knowing that it would mean severe disciplining by the party, and I was subsequently told that I was expelled; although I never did see a public announcement to that effect.

Mr. TAVENNER. And it was while you were on this second trip to Germany that you wrote the book, *S. S. Utah*, which you described awhile ago?

Mr. APPELMAN. Yes.

Mr. TAVENNER. Well, while you were in Germany on this second trip, did you engage in any Communist Party activities, other than to engage in this type of journalistic work?

Mr. APPELMAN. No. The party apparently had received a report on my expulsion and my lack of discipline, and I was not put in touch with or contacted by any of the party people proper.

However, I was permitted to work in the trade-union organization, specifically in Hamburg, as a propagandist for the International of Seamen and Harbor Workers, where my function was to go aboard English-speaking vessels, that is, vessels with English-speaking crews, that touched at the port of Hamburg, and propagandize them into joining the respective sections of the International Seamen and Harbor Workers.

Mr. TAVENNER. The book to which you referred, *S. S. Utah*, I believe you said was carried as a serial in the *Daily Worker* in the United States?

Mr. APPELMAN. That is correct.

Mr. TAVENNER. Was it published in other countries?

Mr. APPELMAN. Yes; it was published first of all in Germany, and subsequently I saw copies that appeared in France, in the Soviet

Union, in Holland, in one of the Scandinavian countries; oh, I guess in half a dozen different countries.

Mr. TAVENNER. And it was printed in this country by publications other than the Daily Worker; was it?

Mr. APPELMAN. It was also published in book form by the International Publishers, I believe.

Mr. TAVENNER. Do you know who was responsible for the publication of the book in Russia and these other countries?

Mr. APPELMAN. I would say that pretty generally, since the book had the endorsement of Albert Walters, who was the head of the International Seamen and Harbor Workers at that time, that he must have promoted the publication of the book wherever possible.

Mr. TAVENNER. How long were you in Germany on this occasion?

Mr. APPELMAN. Oh, I should say a little over a year. I left Germany just before Hitler came into power, early in 1933.

Mr. TAVENNER. What were the circumstances under which you left Germany?

Mr. APPELMAN. There was an international congress being called of the International Red Aid in Moscow, and the delegate who had been appointed to go from the ISH in Hamburg had been detained, in fact I understand he was arrested, in Spain, and he couldn't show up, couldn't get back to Hamburg, in time to proceed to Moscow, and I was sent as his substitute.

Mr. TAVENNER. The International Red Aid was a Communist organization?

Mr. APPELMAN. Yes.

Mr. TAVENNER. Centered in Moscow; was it not?

Mr. APPELMAN. Yes; that's right.

Mr. TAVENNER. How long were you in Russia as a delegate to that conference?

Mr. APPELMAN. Well, I believe the sessions lasted a week or so, and after the sessions I stayed on in Moscow. I wrote a series of articles. One was published as a novelette. These were articles dealing with seamen. This was at the suggestion of the International Seamen and Harbor Workers. One was called Six Seamen. It was six short stories or episodes, three of which described the working conditions on capitalistic vessels, and three of which described working conditions on Soviet vessels.

Prior to writing that, I made a trip on the Volga River on a Soviet ship in order to gather impressions, and that must have taken 3 or 4 weeks; and on returning to Moscow, I wrote this little booklet, which appeared, I believe, in quite a few countries, in the Communist press generally, and appeared in this country published by International Publishers, and arrangements for publication were made through the publishing house in Moscow.

Mr. TAVENNER. How long did you remain in Russia?

Mr. APPELMAN. Altogether? Well, I must have spent some 6 months, I should say, in Moscow itself, in this literary activity; and I then wanted to go to the Far East—this was a personal wish on my part—and managed to make the acquaintance of an American engineer named Barney Koten, who had been working for one of these Soviet trusts, and whose contract was expiring about that time, and since he was to get all his pay in rubles he thought he would have enough rubles left over to pay for my transportation as well as his

to Vladivostok, which he did. We both traveled on the Siberian Railroad to Vladivostok, and that must have been toward the end of 1933.

So that would be a period of about 5 or 6 months, I guess, that I was in Moscow.

When we reached Vladivostok, I was met by a representative of the International of Seamen and Harbor Workers, or the Seamen's Club there, who instructed me to proceed immediately to the club, without even having a chance to say "good bye" to this young American with whom I traveled, who incidentally was not, to my knowledge, a Communist; and in Vladivostok, I was invited to serve again as a propagandist at the club, this time interviewing English-speaking seamen who arrived at the port of Vladivostok; and most of those were not on American vessels, but British vessels that were coming into Vladivostok in fairly consistent numbers at that time.

So I spent, oh, possibly a month to 6 weeks in Vladivostok doing that type of work.

MR. TAVENNER. Did you have any particular experience on your trip across Siberia that the committee would be interested in?

MR. APPELMAX. Well, both Barney Koten and I had wanted to go across Siberia into Vladivostok over the Manchurian territory, but there had been some fighting, and there was some fighting going on between the Japanese and the Russians over the Chinese Eastern Railroad at the time. So there are two ways of going, one via the southern route through Manchurian territory and one via the northern route, via Khabarovsk, and down to Vladivostok.

But we got a ticket to go via the southern route.

However, when the train reached the last stop in Siberia, from which these railroads spread out in two different directions, we were told by the conductor we would have to get off and change trains and go by another route. We refused to do that, but when we reached that particular station, two representatives of the GPU came aboard, and anyone who has lived in the Soviet Union knows that when you are approached by those gentlemen you don't argue, and we didn't. We promptly took our bags and got off the train and spent the night in that little town, and the next morning proceeded to Vladivostok on the train they wanted us to take, over that other route, the northern route.

MR. TAVENNER. How long did you remain at Vladivostok?

MR. APPELMAX. As I say, it was a period of about a month.

When we arrived there, there was an extreme hunger, so much so that there was talk of actual practice of cannibalism.

And as dreadful as that sounds, if one saw the hunger with one's own eyes, the real famine there, one could lend credence to the possibility that such a practice existed.

I went to the markets and saw that there was absolutely nothing for sale but some withered apples and a few onions and bits of garlic. I was given a food ticket to eat with the workers in the seamen's clubs at one of the restaurants there, and the food was really a very thin sort of soup that had scarcely any taste to it; and the condition was really one as close to famine as I have ever gotten, and I actually saw dead people. Certainly I remember one dead Chinese who was lying on the street when I got there. And it was a daily spectacle to see hundreds of people being herded through the streets, with soldiers with drawn bayonets and rifles who were apparently forcing them to

do some kind of forced labor, and whenever these people were paraded through the streets everybody else had to back up and make room for them.

But it was a very dreadful thing to live through and to experience. The people were waiting desperately for some ships to arrive from the Black Sea area, I believe, in order to provide them with some salt. There was a great salt hunger and a great meat hunger.

And I remember when this fellow with whom I worked as a propagandist got his first ration of meat, which was in frozen condition, raw meat, he actually ate it raw without stopping to cook it, he was that desperately hungry for some meat.

That was my general impression of Vladivostok at that time.

My work was the daily practice of socializing and fraternizing with British sailors or American sailors on these ships, and as soon as I could, I got an assignment to get out of Vladivostok and go on my way, and I got a job as a fireman or an assistant fireman on a Soviet vessel that left from Vladivostok and took me down to Shanghai a month or 6 weeks after I got to Vladivostok.

MR. TAVENNER. When was it that you arrived in Shanghai? Approximately what date?

MR. APPELMAN. It was in the spring, I think. It was either the beginning of 1934 or the end of 1933.

The beginning of 1934 it must have been.

MR. TAVENNER. Had you met the Granichs at that time?

MR. APPELMAN. No.

MR. TAVENNER. What was your purpose in going to Shanghai?

MR. APPELMAN. Frankly, I was naturally curious. I wanted to see something more of the world. It didn't cost me anything to get from Moscow to Shanghai. I made the trip; thought I would like to see what China looked like. I didn't have any political objectives. I was given no party instructions.

As I said, I was not a member of the party at the time. I wanted to see what China looked like.

MR. VELDE. Where did you derive your income at that time?

MR. APPELMAN. While in Russia, I lived off the rubles I got as fees for the writing that I did, and the little bit of royalty of the *S. S. Utah*, and they paid me for the other writing I did.

While I worked at the seamen's clubs, naturally, my room was assigned to me, and I didn't have to pay for food, and I actually got a few rubles for expenses.

And I arrived at Shanghai with 5 or 6 rubles in my pocket and proceeded to try to get a job. There is a Jewish school in Shanghai, where I met an American teacher and asked how I could find some work. Because I was intrigued with life in China, Chinese civilization, Chinese culture; and through this school teacher I met a dentist, who in turn introduced me to an insurance man, who said he would stake me to advances on commissions against the chance I might make good as an insurance agent.

So I got a job with an insurance company on that basis, and after beginning to make a little bit of a living, I started to write poems, did some free-lance writing on my impressions of China.

MR. TAVENNER. How long did you stay in China?

MR. APPELMAN. Pretty close to 2 years, as I recollect. And in the course of that time, still being very loyal to Communist ideas and

having great faith in the Soviet Union, I got to know a book store there that sold Communist literature, and I met some people there.

Mr. TAVENNER. What was the name of the book store, if you recall?

Mr. APPELMAN. I think it was called the American Book Shop. I think it was on Yangtze Road, or in any event it was on one of the main streets in downtown Shanghai. And along the line somewhere there, I met Agnes Smedley, and I met some of the American boys who were working for the newspapers, in the China press and the Shanghai evening—I think it was called the Mercury. I don't remember any more. And through them I met others, and I eventually met fellows like Frank Glass, who was a well known Trotzkyite, and Alice Buchman, who was a Trotzkyite, and I got to know quite a few people. I met Rewi Alley through Agnes Smedley, a man later known very much for his connections with the Chinese industrial cooperatives. And I was doing considerable writing on my own.

Mr. TAVENNER. Let me interrupt you a moment.

Will you give us the spelling of the name of the person that you said you met at Agnes Smedley's?

Mr. APPELMAN. R-e-w-i A-l-l-e-y. I believe that is how he spells his name.

After I had been in China possibly a year, I was told by a friend of mine, who was an assistant manager of MGM, that the group that was sent out to film the background for *The Good Earth*, a troop of cameramen and technicians, were having difficulty about getting into the interior of China, because the Chinese authorities were not cooperating. They seemed to resent how Chinese were usually depicted in Hollywood films. And they couldn't proceed with their work, because the main office in Hollywood would not allow them to get into the interior until they had obtained insurance protection for their lives and for their equipment.

And since I was in the insurance business, this friend of mine who worked for MGM—his name was Barry Greenburg—asked me if I could help to locate a company that would insure them.

I thought that was a pretty interesting kind of a proposition, so I went around among a lot of insurance companies, but no one would take it on, until I finally prevailed upon a British company, the Employers Liability Assurance Co., with headquarters in London, to cable to Lloyds that if they would take the risk I would personally go along with this troop to the interior of China and engage an ambulance in every city, with nurses and doctors, contact the police, and see that maximum protection was afforded, so that the insurance risk would be minimized.

This deal was accepted by Lloyds of London, and I got the assignment to travel with this group.

The business manager was a man named Frank Messenger. The director was a man named George Hill, who subsequently committed suicide. And I don't know that you would care for the details of this, but as a result of this experience, which lasted 7 or 8 weeks and netted me several thousand dollars and netted me a reputation as a pioneer in a new form of movie insurance, as a result of that I had some money with which to go to Japan for a while and write a book on Japan, which was one of my ambitions.

Mr. TAVENNER. Were you assisted in any way by Agnes Smedley in the writing of that book?

MR. APPELMAN. No. I went to Japan and Korea and gathered the raw material for the book on my own, but later, when I reached the chapter dealing with the fracas between the Japanese and the Russians in Manchuria, I felt I needed some more material, and then I spoke to Agnes Smedley about it, and she got me some interesting data. Part of it I think she told me she got from the Tass representative in Shanghai.

MR. TAVENNER. What was the occasion for your meeting Agnes Smedley?

MR. APPELMAN. Why, I don't remember how I first contacted her, who brought us together, but I do know that she was very much interested in my writings. She had read S. S. *Utah*, and when she read the poems that I wrote on Shanghai, she wrote to the editors of the *New Republic* and the *Nation*, I believe, and *Asia* magazine, recommending that they use those poems. That was the extent at the outset, at any rate, of her interest in me. She seemed to like the kind of writing I was doing.

MR. TAVENNER. You referred to having attended meetings at her home. What kind of meetings were these?

MR. APPELMAN. Well, the meetings at first were social in nature. I met Rewi Alley there, and later on I met a Chinese girl there, whose name I don't remember. I met a German—it was a good deal later—a German girl, there, with whom I later traveled back to Russia on a Russian boat.

MR. TAVENNER. What was her name?

MR. APPELMAN. That I really don't recollect, but it was a German name. She was a heavy set girl, and I believe a professional Communist, probably doing carrier work or international work of some sort.

MR. TAVENNER. Do you recall meeting a person by the name of Irene Weidemeyer?

MR. APPELMAN. It may be that that is the person whom I met there.

And just to complete your question, I also met Madame Sun-Yat-sen in Agnes Smedley's home. In fact, I escorted Madame Sun-Yat-sen from her own home to Agnes Smedley's home, together with a young American doctor named Hatam, Dr. Hatam.

MR. VELDE. Did you ever meet Richard Sorge?

MR. APPELMAN. No, not that I know of.

MR. TAVENNER. Did you meet any of the Japanese associates of Sorge, such as Ozaki?

MR. APPELMAN. If I did, I wasn't conscious of the relationship. Because the name, Sorge, as nearly as I can recollect, never came up in those days.

MR. TAVENNER. What was the purpose of the meetings at the home of Agnes Smedley, when you were there and Madame Sun-Yat-sen was there?

MR. APPELMAN. The meetings generally had no particular purpose. I didn't know then whether Agnes Smedley was a member of the Communist Party, and I don't know to this day whether she was. But it was social in character, or literary, when I went there, to talk to her about my book.

And the occasion for meeting with Madame Sun-Yat-sen was, as I recollect—it was on a November 7. We were celebrating the anni-

versary of the Russian Revolution with a little dance and party at Agnes Smedley's home.

Mr. TAVENNER. And you returned to the United States when?

Mr. APPELMA. It must have been the spring of 1935. Then I have got my dates wrong somewhere, haven't I?

No, I don't think I have. Am I jumbled on the dates there?

The spring of 1935!

Mr. OWENS. That's right.

Mr. APPELMA. I must have left there about April of 1935 or March.

Mr. TAVENNER. Prior to your return to the United States, did you have experience of any kind in Shanghai with publications of American firms in Shanghai, which were in any sense supported by the Communist Party?

Mr. APPELMA. No.

Mr. TAVENNER. Did you have knowledge of any such publications?

Mr. APPELMA. No. I had met Harold Isaacs, who had, prior to my coming to China, edited some such publication, which I believe was suppressed.

In any event, he rejected the Communist position and became a Trotzkyite. But as far as I know, while I was in China at that time, there was no English language publication sponsored by the American Communist Party.

Mr. TAVENNER. Do you recall the name of the publication of Isaacs which had been suppressed?

Mr. APPELMA. Well, recently I think I ran across the name of the Searchlight. It might have been that name, or the Voice of China. I don't know. I can't specifically remember the name of the specific publication.

Mr. TAVENNER. Now, on your return to the United States, did you have occasion to meet Grace Maul?

Mr. APPELMA. Yes. Very shortly after I returned, which was in 1935, I received a communication from the Communist Party. I had made no effort to contact the party, because my mind was made up but I was not good party material. I received a communication, and I believe it was from her, as nearly as I can recollect, and I was asked why I didn't contact the party more, and I said I didn't feel I was going to rejoin the party, or should rejoin the party, since I didn't have what it takes along the lines of discipline and obedience to a party line.

Mr. TAVENNER. Well, was that all by correspondence, or was that by personal interview?

Mr. APPELMA. No. The letter that I received merely asked me to call, and when I called this took place in the form of personal talk.

Mr. TAVENNER. With whom?

Mr. APPELMA. As I say, I am quite sure it was Grace Maul. I had been in touch with another woman who was a Communist, and her name was Esther something, and it might have been either one or the other, but I do think this talk was with Grace Maul. Because I was urged to rejoin the party on condition that I would not be expected to do the routine work that is normally done by party workers in cells, but merely to work in Chinese activity, because of my experience in China.

Mr. TAVENNER. Well, where did this conversation take place?

Mr. APPELMAH. As nearly as I can recall, in party headquarters, in one of the rooms of that building, on 35 East Twelfth Street.

Mr. TAVENNER. New York City?

Mr. APPELMAH. Yes.

Mr. TAVENNER. Well, had you known Grace Maul prior to this time?

Mr. APPELMAH. No, not that I can recall.

Mr. TAVENNER. Do you know whether or not she is the same person as Grace Granich?

Mr. APPELMAH. I am quite sure she is, yes. I am quite sure she is the very same person.

Mr. TAVENNER. Well, let's go ahead from there.

What occurred after that conversation?

Mr. APPELMAH. Well, I was assigned to work in—I think it was called the American Friends of the Chinese People, or the Friends of China. It had offices on West Twenty-third Street. And I remember teaching, giving a series of lectures there, on China, and helping organize meetings, and I think I contributed occasionally to the magazine that was put out by that group. China Today, I think it was called then.

Mr. VELDE. Before you go ahead, may I ask you this question: How do you know that this Grace Granich was one and the same person as Grace Maul?

Mr. APPELMAH. Well, for one reason, when I first met her, she was known as Grace Maul, and subsequently I met Max Granich through Grace Maul, and got to know that he was the brother of Mike Gold, and subsequently got to meet them both quite frequently in connection with my work in that organization, the Friends of the Chinese People; and so there is no question in my mind that it is one and the same person.

Mr. TAVENNER. When you became active in the work of the organization to which you referred, who were some of the other persons interested in the work of that organization?

Mr. APPELMAH. I met Philip Jaffe at that time, and his wife. They are very much interested in that organization. There was a general. I forget his name. He was a Russian general. He used to lecture frequently.

He was interested in that organization. There was a man named Loeb, who used to make the maps for that organization, an elderly gentleman.

Mr. TAVENNER. Do you know his first name?

Mr. APPELMAH. No, I can't recollect his first name, but I am pretty sure his name was Loeb. There was another man there, a very thin little man who was highly intellectual and did a lot of the writing. I think he was the editor of the paper. I can't recollect his name.

Mr. TAVENNER. Well, referring back to Philip Jaffe, how well did you become acquainted with Philip Jaffe?

Mr. APPELMAH. Quite well. We socialized a great deal. He is a man with a ready sense of humor, a smile, and we were invited out, my wife and I were invited out, to his home several times. I think we played some tennis out to his country place in Connecticut and got to know him pretty well.

Mr. TAVENNER. Was Philip Jaffe a member of the Communist Party, to your knowledge?

Mr. APPELMAN. Well, he attended the meetings of the fraction that worked in that group, the Communist Party meetings, but he did not hold a book, as nearly as I can remember. He was not an organized party member. And as I recollect, one of the reasons why was that the party did not wish him to be an organized member of the party, because in his printing plant he did not employ union labor.

Mr. TAVENNER. Why was it the Communist Party didn't want him to be a member of the party?

Mr. APPELMAN. Well, it would be somewhat ludicrous for a Communist Party member not to have union labor in his own factory or his own plant.

Mr. TAVENNER. Well, was any explanation ever made as to why Jaffe did not employ union labor?

Mr. APPELMAN. Well, these things are not, of course, treated in written papers, or no one makes any official talk about it, but my assumption had always been that if he employed union labor he probably wouldn't have enough money left over to subsidize these other activities he was "angelizing" so to speak, partly because he made that much extra profit on his printing business.

Mr. TAVENNER. What organizations were being subsidized by him, to your knowledge?

Mr. APPELMAN. As far as I know, apart from the fact that he must have made some contributions to the party proper, I think mainly he was relied upon to take care of the deficit of China Today and probably other activities. This is an assumption. I have no proof of this. And probably other activities of the organization known as the Friends of the Chinese People.

Mr. TAVENNER. If I understood you correctly, you had reaffiliated with the Communist Party.

Mr. APPELMAN. Yes; I carried a book in that period.

Mr. TAVENNER. Yes; before you engaged in this new work in connection with the American Friends of the Chinese People. That is correct, isn't it?

Mr. APPELMAN. Yes; that is correct, sir.

Mr. VELDE. I would like to question him a little further, Mr. Counsel, if I might.

You said that Philip Jaffe attended fraction meetings, Communist fraction meetings. How do you know that?

Mr. APPELMAN. Well, I was there. I just stated that I was a party member, and I seemed to have a recollection of some of those meetings taking place—they took place, as I recall, in different places. But at least several of them, it seems to me, unless I am wrong, took place in a little restaurant near the Twenty-third Street headquarters of this organization; and Mr. Jaffe participated in the discussions at those meetings, certainly at some of them. And I remember either raising the question myself, or the information having been given me, that the reason he was not a book-carrying member was because of this nonunion situation in his plant.

Mr. VELDE. About how many meetings did you sit in with Jaffe?

Mr. APPELMAN. With him? That is really very vague. I know there were several at the very least. I assume that we used to meet every week or 10 days. My association went on for some months. It

must have been several meetings, maybe quite a few, but my memory is not just that vivid that I could name the number of such meetings.

Mr. VELDE. Well, approximately.

Mr. APPELMAN. It would be very difficult for me to give you with any accuracy a figure, and I wouldn't want to.

Mr. VELDE. You are absolutely certain, however, that you did attend a Communist Party meeting or Communist Party meetings with Philip Jaffe?

Mr. APPELMAN. You must bear in mind that our party fraction in that organization could not have consisted of more than possibly 6 or 8 or 10 people. It wasn't a large group, that ran this organization, as far as party membership was concerned. It was a rather intimate affair. And therefore meetings did take place very informally, because we were a small group.

Mr. VELDE. If you will answer my question directly, please, you are absolutely certain you did sit in Communist Party meetings with Philip Jaffe?

Mr. APPELMAN. Yes.

Mr. DOYLE. When you use the term "several meetings," you have in mind at least six?

Mr. APPELMAN. You see, I am trying very hard to be accurate within the limits of a memory that is not very good.

Mr. DOYLE. "Several" is rather indefinite. Do you have in mind at least three meetings?

Mr. APPELMAN. I would say three, and it might have been as many as six and maybe more. But I would say definitely it was at least three meetings.

Mr. TAVENNER. Were you acquainted with Henry Vanderbilt Field?

Mr. APPELMAN. No.

Mr. TAVENNER. You said you were connected with this organization for about 7 or 8 months, as I understood you to say.

Mr. APPELMAN. It must have been that length of time.

Mr. TAVENNER. After that period of time, what did you do? In what work were you engaged?

Mr. APPELMAN. Well, along in that period, I was called in to party headquarters and interviewed by Mr. Earl Browder.

Mr. TAVENNER. Just before you begin with that, do you know whether the magazine Amerasia had been organized before this time?

Mr. APPELMAN. There had been some little talk about another magazine, and Philip Jaffe was the one who talked about it. He felt the need for a broader magazine, which would contain less of a Communist character, by having a greater diversity of articles. There had been talk about a successor magazine, but it was not yet in existence then.

Mr. TAVENNER. And Philip Jaffe is the person who indicated an interest in the establishment of that broader magazine?

Mr. APPELMAN. Yes.

Mr. TAVENNER. All right. Now, proceed with your description of what happened in headquarters.

Mr. APPELMAN. Along there, toward the end of this 6 or 8 month period, I was called in to see Mr. Browder, who told me that the Granichs were having some difficulty in Shanghai with continuing with running the magazine out there, and that they had sent a request to him that I be sent out to take over and continue with that job. He

went on to say that if I did accept that assignment, I would have to support myself entirely. I would have to sever my formal connection with the party. The party would not be responsible if anything happened to me. And I would more or less be in that sense completely on my own.

Mr. TAVENNER. Were you informed at that time of what the nature of the difficulty was that Mr. and Mrs. Granich were having?

Mr. APPELMAN. I can't say honestly that I recall what particulars may have been told me. My general impression is that it was a tough assignment under oppressive conditions, under a great deal of police surveillance, and so forth, and I must have taken for granted that after 6 months or a year a fellow wants to be relieved of a hot spot of that kind.

I don't think I was told that there were any financial difficulties or anything; merely that the Granichs wanted to be relieved of that assignment and had indicated or suggested that I be sent out to replace them.

Mr. TAVENNER. Now, will you fix the approximate time of the year when that conference took place? And the year in which it took place?

Mr. APPELMAN. I would say the middle of 1936, just about the middle of 1936. I proceeded to save some money to pay for transportation, and so forth, and just about at the end of October or early November, I got another call asking whether I was ready to go, and I said I was short about \$60 or \$70, and that was provided me by the party, and I thereupon proceeded to go to the west coast, from where I was to take a ship to China.

Mr. TAVENNER. Now, did Earl Browder make any provision for the financing of the operations in China with you, prior to your leaving?

Mr. APPELMAN. He offered to make none, and I asked for none.

Mr. TAVENNER. Did he explain to you what the editorial policy of the magazine should be when you took over?

Mr. APPELMAN. No. I took that for granted.

Mr. TAVENNER. How were you to get the receipts of instructions as to the details of carrying on the business?

Mr. APPELMAN. I was told that the Granichs were waiting impatiently for me to get there and when I got there they would turn everything over to me, and I assumed that would include instructions as to how to carry on, and all the connections and contacts they had made, and so forth.

Mr. TAVENNER. Very well. You left New York City for the west coast in November or December of 1936?

Mr. APPELMAN. Yes; the latter part of November.

Mr. TAVENNER. All right. Tell us what occurred on your arrival in California.

Mr. APPELMAN. When I got there, it was about Christmas. I found there was a seamen's strike going on. And, of course, I didn't want to travel on a ship that was manned by a scab labor, so I waited on until the strike should end. It turned out to be a prolonged sort of strike, and after a couple of weeks, I realized I would have to find a job. And I got a job distributing party literature and doing some work helpful to the party activity in Hollywood.

Shortly afterward, a matter of a few weeks or a month or two, V. J. Jerome arrived and he gave me some work to do assisting him with

the distribution of party literature and helping to set up the organization that he was setting up in Hollywood for the party at that time.

Mr. TAVENNER. Did you meet persons in Hollywood through V. J. Jerome?

Mr. APPELMAN. Yes; I met John Howard Lawson, who was a king-pin in party activity at that time. I met a man named Page.

Mr. TAVENNER. Do you recall the first name?

Mr. APPELMAN. Charles and Polly. His wife was Polly, and he was Charles Page.

I believe he had formerly been in American governmental service abroad.

I met Herbert Biberman, the wife of Sidney Buchman, and also J. Edward Bromberg and his wife, Sam Ornitz, Mrs. Frank Tuttle.

Mr. TAVENNER. The wife of the director?

Mr. APPELMAN. The wife of the director. And Gale Sondergaard, the wife of Herbert Biberman, and probably some other such people, who are engaged, some of them, in direct party work, and part of them with the Motion Picture Artists Committee, which at that time was raising money for Loyalist Spain.

Mr. TAVENNER. Was any proposition made to you to remain in Hollywood and assist in the work of the Communist Party there?

Mr. APPELMAN. Yes. As a result of helping V. J. Jerome, John Howard Lawson thought I ought to be permitted to stay on in Hollywood. They were just setting up a new section up there. And he told me he would phone Earl Browder for permission, because when he asked me how I felt about it, I said I would just as soon stay there as go on to China if that is what the party wanted.

Incidentally, I was no longer a technical party member, because I had been instructed to tear up my party book when I left New York on this assignment.

A day or two later, Lawson said he had talked to Browder, but Browder had said I must proceed with my China assignment. And a very few days after that I went to San Francisco and got my boat for China.

Mr. TAVENNER. Tell us what occurred after leaving California.

Mr. APPELMAN. When the ship reached Honolulu, we got a cablegram aboard the vessel that the war had spread down to Shanghai. There was a good deal of commotion on the ship. We proceeded to Shanghai.

But when we reached the port of Shanghai, the Yangtze River, Admiral Yarnell, in command of American warships outside of Shanghai Harbor, instructed our ship to drop anchor and not to proceed, not to disembark passengers. The only passenger permitted to disembark was a representative of Fox News Reels, who was taken off on a tug. The rest stayed aboard, and I got a message from the head of the insurance firm that I was going to go out to work with again, the same firm I had worked with before, from Mr. Hekking—

Mr. TAVENNER. All right. Let me stop you there.

You stated you were given no funds with which to pay your own expenses, other than the small sum that was given you when you left New York City.

Mr. APPELMAN. That's right.

Mr. TAVENNER. Now, did you propose to earn your own way personally?

Mr. APPELMAN. Well, immediately after that first interview with Mr. Browder, I wrote to this insurance firm in Shanghai, Mr. Hekking, telling him I would like to come back to China and if I could have my job back, and he promptly wrote that he would be glad to have me come back and work for him again. With that, I knew there would be a job waiting for me when I got to Shanghai. But then I got this message, in which he said obviously it would be foolish to try to do any work in Shanghai with the war right there. Mr. Hekking told me he had cabled Bill Burrell, whom I had known as the sales manager for the insurance company in my previous stay in Shanghai, for whom I had sold some insurance, but who at that time was the head of the Manila branch, and that Bill Burrell had cabled back that he would be glad to have me work for him in Manila.

I sent a message to Mr. Granich with a newspaper correspondent who came aboard, telling him, explaining him that message, in just a few words, saying I was not able to disembark and must proceed to Manila.

That evening we took aboard several hundred Chinese refugees and proceeded to Manila via Hong Kong. When the ship reached Hong Kong, I found a message from Bill Burrell that he had paid my steamship there from Hong Kong to Manila, and that of my wife, and also was sending along \$50 or \$100 as an advance for some money in case I needed cash.

And the ship proceeded to Manila, and the day after I got there I started working under Bill Burrell for the United States Life Insurance Co.

Mr. TAVENNER. Did you engage in Communist Party activities while in the Philippines?

Mr. APPELMAN. Not as such. I had no assignment. I had no instructions. I received no messages or communications whatsoever from either Granich or Browder or anybody else in the American party. But I naturally gravitated into Communist activity, in the sense that I went to meetings where there was public interest, and I organized some book reviews shortly after I got there, and the YWCA had some discussion forums, and I soon found myself taking leadership in those forums, and met some Filipino intellectuals, presidents of the universities, and so forth, and soon met some who had Communist leanings, and some who I found to be members of the party.

I did not become a formal member of that Philippine party, but I was invited once or twice to sit in on meetings of the group of professors who had a cell, a Communist cell, in the University of the Philippines, but sat there generally, as I say, possibly two or three times, as a guest.

And I contributed in a small way toward Communist activity in the Philippines.

Mr. TAVENNER. Did you have occasion to meet Edgar Snow while in the Philippines?

Mr. APPELMAN. Yes. After I had been there about a year, I would say, maybe a little less, Edgar Snow arrived. He had a letter of introduction to me from a Chinese editor of a Chinese paper that was published in Hong Kong. And he told me that he wanted to organize in the Philippines a branch of the Chinese industrial cooperatives.

Subsequently, and only after we had met several times, I told him about my party background, that my name had been Mike Pell, and

so forth; and he then told me he had heard about me from Agnes Smedley, but at the time he didn't know the two were the same person, and I proceeded to help him organize the Chinese industrial cooperatives in Manila.

Mr. TAVENNER. What did you state your party name was?

Mr. APPELMAN. Mike Pell, P-e-l-l.

Mr. TAVENNER. Michael Pell?

Mr. APPELMAN. M-i-k-e, Mike Pell.

Mr. TAVENNER. Did you sit in a Communist Party meeting at any time with Mr. Snow?

Mr. APPELMAN. No. No, not with Mr. Snow. I don't know now and didn't know then whether he had ever been an organized Communist.

Mr. TAVENNER. Did you discuss with him your own situation with relation to the Communist Party?

Mr. APPELMAN. Yes. I told him that I was unhappy about a lot of the things I had seen in Russia, the terroristic method of government, the hunger, the falsehoods that emanated from Soviet publications.

And just about that time the Russians invaded Finland, and I told him how unhappy I was about that. I told him I thought it was an injustice and it was presented with a great deal of defeat to the world at large.

He tried, at least in a moderate way, to defend or explain the Soviet actions. We disagreed on that. But he was not violent in his disagreement. He seemed possibly to have at least inwardly some agreement with me. But his wife, whose literary name is Nym Wales, was quite violent and jumped all over me, saying that I was betraying the working class and the working class movement, and all that, and I didn't have any right to say the things that I did, and to break with the party ideologically and every other way. She criticized me severely for it. But he was much more moderate in his reactions.

Mr. TAVENNER. Did you on other occasions express your disagreement with many things originating in Russia?

Mr. APPELMAN. Well, I was quite active in the weekly forum discussions at the YWCA, which attracted a lot of intellectuals, leftists and pinks and so forth, and also, I suppose, a lot of other people. And whenever Russia was discussed at those meetings, I either abstained from any participation or indicated my critical attitude toward Stalin's policies and the policies of the Comintern. And that was noticed and commented upon, as I subsequently discovered, when James Allen called to see me toward the end of 1935 in Manila.

Mr. TAVENNER. What is James Allen's middle initial?

Mr. APPELMAN. As nearly as I can recollect, it is James S. Allen. He is noted for his book on the Negro situation in this country, and I think was a specialist for the Communist Party on Negro and other minority problems.

Mr. TAVENNER. Was he connected in any way with the Daily Worker at any time?

Mr. APPELMAN. It seems to me he was. I am not entirely sure, but I think at one time he was either an editor or one of the editors of the Daily Worker.

Mr. TAVENNER. Was he a member of the Communist Party, to your knowledge?

Mr. APPELMAN. I never worked with him as a Communist, but I always took it for granted that he was an organized Communist.

Mr. TAVENNER. What was the purpose of his interview with you? Or rather, would you just tell the committee what the interview consisted of?

Mr. APPELMAN. He came to my home to tell me that he had heard reports from Filipino Communists that I was critical particularly of Russia, of the Soviet policy and the Comintern policy, the Kremlin policy if you want to put it that way. And I told him that I was. He said he had heard that I had made critical observations or was notably silent when Russia was under discussions at these forums, and I told him that that was true. I told him the reasons. I also told him how unhappy I was at Russia's failure to take Jewish refugees from Nazi Germany into Biro-Bidjian.

Mr. TAVENNER. Will you spell Biro-Bidjian, please?

Mr. APPELMAN. Biro—B-i-d-j-i-a-n. I believe it is described as an autonomous republic within the group of Soviet republics, this one set up for the Jewish people, in a part of Siberia. And I had felt that during those long years from 1933 to 1939, when the Jews suffered such severe persecution under the Nazis, and many of them were seeking desperately for places to flee to, the Soviet Union should have opened its gates and allowed those refugees to come in, instead of so many of them having to perish inside Nazi Germany or desperately flee for other places of refuge.

Well, I was told by Mr. Allen that there were many things that a good Communist had to take on faith; that even the Communist leadership in the United States didn't always know the answer to all the questions, but that they just took them on faith; to which I remember replying that, "One reason I joined the Communist Party was that it wasn't necessary to take things on faith; that as a Communist I didn't believe in being a mystic; that I thought that a Communist should have the answer; that he should have definite knowledge and proceed with definite understanding and not have to resort to mysticism or faith in leadership."

Mr. TAVENNER. After that interview or during the course of that interview, did you make known to Mr. Allen what you proposed to do about it?

Mr. APPELMAN. Mr. Allen strongly urged that I immediately return to the United States, because he felt that my backsliding from orthodox Communist faith was due to petit bourgeois influences.

Mr. TAVENNER. Just a moment. Did he express it that way, or are you just giving that term?

Mr. APPELMAN. I remember distinctly the words "petit bourgeois." That was a favorite Communist term for people who were beginning to depart from the orthodox Communist line. And, of course, I was earning a fairly good living then and was, I suppose, you could say, a member of the middle class, and so superficially it was a logical thing to assume. I wasn't a laboring man. I was a life-insurance agent. And I remember he used that term, "Petit bourgeois," and he thought if I got back to the United States and to New York and got in the Communist environment once more, I could be straightened out.

Mr. VELDE. During this time, did you have any idea where the Communist Party line originated?

Mr. APPELMAN. Where it originated?

Mr. TAVENNER. Yes.

Mr. APPELMAX. I don't think there was ever any question in my mind, since the international congresses or plenums of the Communist Party were in Moscow, and the directives emanated from, were originated at, those international conferences of the Comintern. We all got that literature.

Mr. TAVENNER. Did you have a pretty good knowledge of the Comintern organization?

Mr. APPELMAX. Well, I am by nature a student and given to reading a great deal, and a person who reads a great deal naturally—as I mentioned, I went to 2 Communist Party schools. You get a pretty fair understanding of these things, particularly the ideological things. I did a good deal of reading in Marx and Engels and Lenin and Stalin. I did a great deal of reading. The party encourages people to do a great deal of reading along those lines.

Mr. TAVENNER. After this complaint was made or the suggestion was made by Mr. Allen that you return to the United States, what did you advise him?

Mr. APPELMAX. Well, I told him that I didn't think I would, and I wrote a letter to Earl Browder telling Earl Browder that Allen had called upon me. That was the first contact I really had officially with the Communist Party of the United States. And so I told him what I had told Allen, and what Allen had told me, and I said that even though I was aware this would likely mean my expulsion officially and publicly from the party, I did not feel I was being an enemy of the working class, as Allen put it; that as far as I was concerned, I would certainly remain friendly to liberal causes, but that I could not any longer subscribe to the doctrine.

I wrote Browder along those lines, right after my interview with Allen in 1938. I never received a reply to that letter, and that dates the final break with the Communists, and since then I have had no real relationship with the Communists, although I did have some activity in liberal organizations.

Mr. WOOD. We will take a recess for 5 minutes.

(Short recess.)

Mr. WOOD. We will proceed.

Mr. TAVENNER. After the writing of the letter you referred to, to Earl Browder, did you consider that your connection with the Communist Party had been severed?

Mr. APPELMAX. Finally and forever.

Mr. TAVENNER. Was any effort made at any time to interest you again in affiliating with the Communist Party?

Mr. APPELMAX. No; not on any official level.

Quite by chance, after I came back to this country, early in 1940, I was sitting at my typewriter facing the street, and Mr. Martell passed by on the sidewalk. He had been a teacher of mine at the party school. And he came into the apartment. It was in the London Terrace Apartment Building in New York City. And he queried me about why I had broken, and I told him substantially the things I told Allen, and he got the impression from the firmness in my attitude that there would be very little chance of changing my mind. And that was really the only contact that I had after breaking with the party and the only thing that could be described as any effort to get me to change my mind.

Mr. TAVENNER. What was Mr. Martell's first name?

Mr. APPELMAN. I don't remember.

Mr. TAVENNER. Do you recall, going back now to your testimony regarding your conversation with Earl Browder when you were engaged to go to China to take over the publication there that was being operated by the Granichs, what connection there was, if any, with the publication being made there of the Voice of China with the paper known as the Searchlight, which had been suppressed, back in 1932; or whether there was any connection?

Mr. APPELMAN. Well, my impression all along was that when Harold Isaacs deviated from the Communist line and gave up serving as editor of that publication, that was a bad blow to the prestige of the American Communist leadership, certainly in the eyes of Moscow, and that the Granichs were sent out to resume publication of that magazine or periodical.

This time apparently the party was a hundred percent sure that it had editors who would hew strictly to the orthodox Communist line. And it was my understanding and feeling that the American Communist Party was particularly eager to make a good showing in its work in China, partly to make up for the defection of Harold Isaacs and partly because China was such an important program in the Comintern work in that period.

You may remember—those who watched May Day parades in that period will remember—the placards and slogans and emphasis given to China in that period, which indicated that the Communist Party paid an awful lot of attention to China. The fact that such an influential party functionary as Lawson couldn't succeed in getting me to remain in Hollywood, as important as Hollywood must have been to the American party, and the fact that Browder thought China more important in terms of getting someone to take over for the Granichs, is indicative of the importance placed on work in China.

Mr. TAVENNER. It was one of the party slogans at that time, was it not, or, that is, a Communist Party slogan in the United States, to "keep hands off of China"?

Mr. APPELMAN. Yes. "Hands off China."

Mr. TAVENNER. There were committees known as the hands-off-China committees?

Mr. APPELMAN. I imagine the committees were organized somewhat later, but "Hands off China" was a popular slogan in those days; and also something to the effect that instead of spending money on battleships we ought to put it into education. "Not battleships, but books," or something to mean that the American Navy was maintaining a fleet in China and the money for that would have been better used building schools in this country. There was a slogan along these lines, as I recall.

Mr. TAVENNER. Is there any other information you have to indicate the Communist control of this magazine, the Voice of China, other than what you have already told us?

Mr. APPELMAN. That seems to be about it.

I never did get to China to take on that assignment, and never did get to see the mailing list or get to know any of the workings of the thing.

Mr. TAVENNER. Was the American Friends of China still operating at the time you left that organization to go to China?

MR. APPELMAN. I believe it operated for some time after that, a couple of years probably, at least.

MR. TAVENNER. The organization to which I referred was the American Friends of the Chinese People.

MR. APPELMAN. Well, I think it was called that when I was connected with it. Prior to that it had been called by a shorter name, just The Friends of China. Then it was changed to the American Friends of the Chinese People.

MR. TAVENNER. Have you ever publicly announced your break with the Communist Party?

MR. APPELMAN. Well, right after returning to this country, which was the end of 1939, I set about to write a book on my experiences and submitted a manuscript to Houghton Mifflin and subsequently to Simon & Schuster. But Valtin's book, Jan Valtin's Out of the Night, appeared just about that time, and in that book he mentions me rather conspicuously; and incorrectly also, I might add.

The result was that the publishers felt that my book was somewhat identical with his, and there wouldn't be a ready market for it. I did send a letter and a wire to the editors of Life Magazine, in which I pointed out the inaccuracies in Valtin's book as far as I was concerned, and they published, early in 1941, I think in the March issue, one of the March issues, my letter, in which I stated the inaccuracies in Valtin's book as far as I was concerned, and also stated that I had left the party, and was no longer connected with it. I made that quite clear.

Shortly after that, I wrote an article along the same lines for Look magazine. And in addition to Life magazine making a public declaration, in Life magazine, it was also published in Look magazine early in 1941. Those were the printed statements, as far as public printed statements of my position were concerned.

MR. TAVENNER. Have you made a full statement to investigators of various Government agencies regarding your knowledge of Communist Party matters prior to today?

MR. APPELMAN. Yes. Whenever I was called upon to state my position to any Government individual or agency, I stated it just as frankly and unequivocally as I am doing today.

In 1941, the latter part of 1941, a representative of the Rapp-Coudert committee called on me while I was engaged in writing this book I just spoke about. Subsequently, when I went to Mexico, about, I think, 1945, I was stopped at the border by—I don't know what branch of the Government he was with, but he gave me quite a thorough drilling on my background, and I answered his questions just as fully as in the case of this other person.

A few years later, about 1948, I was called in by the FBI, and I gave them a full statement of my political career and my personal life, whatever they wanted to know.

And then subsequently I was contacted by a representative of your committee, Mr. Owens, and I gave him as much information as I could.

MR. TAVENNER. That was in March of this year, I take it?

MR. APPELMAN. Last year.

MR. TAVENNER. March of last year.

You have told us that the severance of your connection is complete. Do you have any statement that you would like to make regarding your severance from the party?

Mr. APPELMAN. Yes. I did write out a statement that I would like to either read or submit, or read in part.

If you would like, I would like to read it, and if you find it boring you can stop me, and I can give you the rest in written form, if I have your permission to do so.

Mr. WOOD. I must leave. I have an engagement. I am going to turn the committee over to Mr. Doyle, as chairman, and Mr. Velde. And before I go, I would like to convey to you the very sincere thanks of the committee for your presence here and this very valuable contribution that you have made, not only to the work of this committee but to the American people as well. I am cognizant of the fact that it has not been without some sacrifice on your part that you have come here to publicly give this testimony, and for that contribution to us and to the people of America you have the committee's very profound thanks.

Mr. APPELMAN. Thank you.

Mr. WOOD. I will now turn the committee over to Mr. Doyle.

Mr. DOYLE (presiding). We will be very glad to have you proceed to read that statement.

Mr. APPELMAN. I broke with the Communists, finally and forever, in 1938. I had broken with the Communist Party once before, in 1932, but upon the urging of party members rejoined in 1935. My final break was based upon complete disillusionment with the actions of the Moscow leadership. For some years prior, the conviction had grown upon me, through personal observation, that Moscow was resorting to brute terror to maintain itself in power; and that its pattern of tyranny and ruthlessness was being copied, and would be applied, by Communists in every other country. I could no longer subscribe to the theory that every means were justified to accomplish the Communist end. Indeed, I became convinced that deceptive and immoral means could only corrupt the end itself.

After breaking with the Communists, I took another look at democracy—at capitalist democracy. I came to the conclusion that capitalist democracy, particularly American capitalist democracy, despite all its limitations, affords infinitely better living conditions for the present, and hopes for the future of all its citizens, than communism.

This conclusion has grown increasingly upon me during these past 13 years, during which period the purchasing power of the masses in the United States, and the living conditions of the Negroes and other minority groups, have continually improved, while the living and working conditions of the masses in Russia, and in all the Moscow-dominated satellites, have gone from bad to worse, with growing suppressions of individual and political freedom.

I do not know of a single political or economic system anywhere in the world now or at any time in the past, that offers the great majority of its peoples as much as does the democratic system under which we live in these United States. I refer to economic opportunities and to cultural facilities; to educational and health facilities; to political security and religious freedom; to the jealously

guarded traditions of free press and fair trials; to the inducements and incentives provided by an exciting and adventurous competitive system. Above all, I refer to the security of life in a country that is pervaded by a spirit of tolerance, fair play, and fellowship.

Another phenomenon I have noticed since taking "a second look," at our democracy is the unprecedented spectacle of a prosperous people voluntarily sharing substantial portions of its wealth. Anyone traveling across America must be struck by the great number of universities, hospitals, libraries, museums, playgrounds, parks, churches, and other institutions for public use that have been built and endowed by wealthy individuals. See the tens of millions of dollars given annually for medical research, for rehabilitation, for community chests, Red Cross, and so forth. See the hundreds of millions of dollars that charitable Americans send overseas to the peoples of less fortunate countries each year, in addition to their tax share of the billions that our Government donates. Such generosity is unprecedented in human history, and it springs not only from biblical precepts of charity but from a feeling of gratitude toward a country that makes it possible to share one's means with a feeling of security.

If this seems too glowing a commentary on capitalist democracy, I can only say that nowadays when this democracy is constantly being criticized, libeled, and attacked by Communist propaganda, it is important that its assets, virtues, and strength be described and affirmed in justifiably enthusiastic terms.

I suppose that, in the final analysis, every political or economic system is good or bad only in relation to some other system. In comparison, then, with the system that has developed in Soviet Russia, or in any of the Soviet satellites, the foregoing description of the American system is fully accurate and fully preserved.

Mr. DOYLE. Thank you very much for that fine statement.

Counsel, do you have any further questions?

Mr. TAVENNER. No further questions.

Mr. DOYLE. Mr. Velde?

Mr. VELDE. No. I have no further questions, but I do want to thank you for that very fine statement.

As you know, a lot of former Communists are criticized for coming out into the open and admitting all of their past maneuvers and past associations and all; and, of course, you will be criticized, too.

I would like to ask you this one question. Are you really sincere now in your belief that the American capitalistic system is superior to any other system which has yet been devised?

Mr. APPELMAX. Let me answer it in this way.

As nearly as I recollect, John Stuart Mill, in his definition of a democracy, said that a true democracy is that system which provides the greatest good for the greatest number of people.

I am not only sincere but absolutely convinced, from a great deal of personal observation of both systems, that in this country today the greatest number of people enjoy the greatest good.

Now, this is all comparative. You have other countries where people enjoy a great deal of good. And I believe that in no system, in no country at any time in recorded history, have the great mass of people enjoyed—and I speak both on the material and in the

spiritual sense—the good that is enjoyed in this country today and has been enjoyed for the past years. It has never been seen before. And what I regret, and I have stated this to many friends recently, is that we do not have a sufficient advocacy, a sufficient championship, of the wonderful assets and developments and contributions of this country.

If we had the eloquence that the Communists have been able to attract by their system or by the theoretical aspects of their system—if we had that, then I think we would have the most important thing that we need, and that is a proper espousal of the good that has been done by the American capitalistic system.

Now, I stress the word “capitalistic,” because today, thanks in large part to Communist propaganda over the years, the word “capitalistic” has been discredited. But I feel that it is high time that the word were put in proper focus and high time that we had spokesmen who would know how to explain to our youth and to the rest of our country the wonderful thing this is in terms of the tremendous progress that it has brought about. Because if you are a student of economics you will see that in Communist Russia they try to borrow those very aspects of capitalism which lead to this great incentive. They try to adopt a form of competition there, a form of incentive method. I don’t think they will succeed. But I say we have it here, and it is high time that people arose who see this system with all its great virtues.

Forgive me for becoming a propagandist now for the capitalistic system. I just wanted to complete my thinking.

Mr. VELDE. Were you in Russia at the time the Dneiper Dam was built?

Mr. APPELMAN. Yes, I believe I was there when it was under construction.

Mr. VELDE. What kind of construction, in general, would you say went into the building of it?

Mr. APPELMAN. I never visited the site itself. I remember an American engineer was engaged to head it up, head up the construction. And I knew that in those early days, at any rate, they had not yet developed the Stakhanovite system and these other competitive systems of labor in order to get greater production. But to me it is ironical that this whole Soviet system, which is competing with the capitalistic system, leans upon and borrows and steals or otherwise obtains the fruits of capitalist thinking and machinery and materials in order to build this other system which is going to destroy this one. Now, I wouldn’t defend the capitalistic system without democracy and all those institutions which are inherent in the American system and which the best elements in this country are trying to preserve and extend.

That is why in my statement I combine “capitalist” and “democracy.” But actually—

Mr. VELDE. I think I know what you mean by that. We know the capitalist system has great flaws.

Mr. APPELMAN. Of course, there are other countries where the masses don’t get the benefit of it. But in this country to an extent never hitherto seen, they are receiving a large share of the fruits of their own labor, a larger share than anywhere else I have heard of.

Mr. DOYLE. May I be privileged to ask you just two or three questions?

I noticed that in your fine statement there you referred to the minorities; the minority groups. What is your expert opinion, and I ask you in that way because if you are not an expert in communism after all your contacts with it I do not know who would be, on the question of whether the Communist Party in America actually fights for the best interests of the minority groups?

Mr. APPELMAN. I used to think so. I don't any more.

Mr. DOYLE. I am asking you for your present opinion.

Mr. APPELMAN. I think that every single Communist action is subjected to and subordinated to the prior consideration of what is best for Moscow.

Mr. DOYLE. Then your answer leads me to ask you the question I was going to ask. I will ask it.

Do I understand that your present opinion, then, to us and through us to the American people, publicly made, is that the program of the Communist Party in America is directed still from Moscow?

Mr. APPELMAN. Yes.

Mr. DOYLE. What makes you so sure of that?

Mr. APPELMAN. Because with the background that I have in that movement, I cannot conceive that there could be any other allegiance, the Comintern being set up as it is, but a direct and primary allegiance to Moscow.

Mr. DOYLE. This committee is charged by action of Congress with investigating subversive activities that originate both domestically and from foreign countries; also with making recommendations to Congress in terms of legislation.

Have you any recommendation to this committee in the field of legislation?

Mr. APPELMAN. I have read some of your pamphlets, and I know that in at least some of them it was suggested that we need more stringent laws governing espionage and closing the loopholes by which Communists who have been called before this and other bodies to testify refused to do so or failed to do so by resorting to privileges under, I think, article V of the Constitution. I subscribe to the feeling of this committee that more laws are necessary in order to more effectively obtain the information required. And it is ironical but nonetheless a fact that the Communist is the first one to take advantage of those provisions for the security of the individual and the freedom of the individual in order to conceal or evade what his work and purposes are.

Mr. DOYLE. Have you any suggestion, then, to the committee, as to how far we can go in that field without ourselves getting into the field of knowingly or unknowingly violating our own Constitution in the matter of individual rights?

Mr. APPELMAN. That is really, I think, a problem for a legal mind. I wouldn't know. I know how important it is not to victimize the innocent. I know how important it is to retain the fine apparatus for personal freedom that we do have in our Constitution and Bill of Rights. But nonetheless we mustn't through that be made victims of a situation which is as dangerous as the Communist situation is today.

Mr. DOYLE. Observing that you have come voluntarily to cooperate with the functioning of this committee, have you any suggestion of ways and means by which this committee might undertake to make

it more apparent than we have, if that is possible, to former Communists that they may also come and help inform the American people on the danger of communism, by coming and cooperating with this committee especially?

Mr. APPELMAN. Well, my feeling is that there must be very many other former Communists who, like myself, joined the Communist movement out of a sincere idealism, after personal experiences became disillusioned, left that movement, and who increasingly realize that they owe it to this country and the institutions of this country to at least make partial amends by publicly stating their position. And it seems to me that personal contacts of the sort that were made in my case, where you had somebody come out and visit me and contact me and ask me to do this, should be productive. And they didn't have to ask me too hard, because I responded that I had come to admire the work of this committee and feel that it is a very important work and that I would cooperate, because I feel the work you are doing to defend the American system is very important.

I should think there would be a lot of other such people, and you ought to make an effort, by contacting them, to see how they react.

Mr. DOYLE. May I ask you one further question? It rather intrigued me when you stated that back in 1928, as I recall it, you took the oath at the school of functionaries. I understood the oath at that time to be, from your brief comment about it, that you would pledge your life to service in communism. Do you remember enough about the text of that oath to give us the wording of it? I believe I have never heard that oath to which you refer.

Mr. APPELMAN. I think the essence of it is contained in one of the writings of Lenin in a book on Leninism, in which Lenin speaks of the need for developing, the need for the Communist Party everywhere to develop full-time professional revolutionaries, whose every waking movement, whose every thought, whose every act, would be dedicated to furthering the revolution. That was a doctrine of complete dedication. And that is rather widely published. I have seen it just recently referred to. And this oath was really just implementing that kind of an attitude.

In this school they wanted only people who had already been screened and whose actions in the party had indicated they were good material, that they were prepared, that they weren't committed in any direction, that they were people who didn't have a family or children, and that they were people who could single-mindedly devote themselves to the purposes of the Communist revolution.

Now, each of us before we were entered in that school had to take that oath. And I am sure that each of us did, as I did, take it with full sincerity and full conviction, and in our subsequent actions, I know in mine, we were subjected to positions of danger and hardship and privation, and so forth, and cheerfully accepted those assignments.

I know I am going in a circuitous way in answering your question, but I really cannot give you any more verbatim details, except that it was an oath in which you promised complete dedication to the service of the party.

Mr. DOYLE. Have you any suggestion as to where we might find the text of that? Has it ever been printed in public?

Mr. APPELMAN. I have never seen it printed. This is a highly selective business, being in that field, and I wouldn't know where you would find that, unless you subpoenaed the records of the Communist Party.

Mr. DOYLE. May I ask you one further question? Your answer that there is no question in your mind but that the functioning of the Communist Party in America is directed by Moscow at this time leads me to ask you this question.

Do I understand, then, that you are telling us in effect that there is an international conspiracy directed from Moscow to overthrow the capitalistic and democratic form of government, as you have related in your statement?

Mr. APPELMAN. Mr. Doyle, forgive me for smiling, but I cannot associate in my mind the term "conspiracy" with anything that is as open as the whole Communist program. A conspiracy means or infers or implies something rather secret and secretive. My lord, the Communists make no secret, and never did since the Communist Manifesto, of their intention to overthrow capitalist systems all over the world.

I don't see that you can term it a conspiracy. It is an apparatus, a program. It is set up. It is pretty plain. I don't know that any responsible Communist leader has ever denied it. So there is nothing conspiratorial about it as far as I am concerned.

Mr. DOYLE. Well, thanks for that explanation. Do I understand, though, that it is an open advocacy of a revolution by force if need be?

Mr. APPELMAN. Of course. That is stated openly, too, in the writings of Marx and Lenin and Engels.

Mr. DOYLE. And when I say "by force," I mean by force of arms.

Mr. APPELMAN. By force of arms.

Mr. DOYLE. And is that program, in your judgment, today being advocated and distributed direct from Moscow toward the United States of America?

Mr. APPELMAN. I would say this, that in pursuing that program, the Communists—and here again, this was stated openly as a precept of Lenin—use different kinds of means suited to different countries, different institutions, different situations. If, temporarily, before they have adequate force, they use democratic means, they use the ballot, they get themselves elected—yes, in different countries they will do that. But these are all preparatory stages. These are all in order to mobilize enough power in order to use force. And any adult Communist knows that everything else is juvenile. You cannot take over a government without force, in the final analysis.

Mr. DOYLE. By "force," you mean guns and ammunition?

Mr. APPELMAN. I mean guns and ammunition. I mean insurrection and revolution.

Mr. DOYLE. Have you any other questions, Mr. Velde?

Mr. VELDE. No, I think not.

Mr. DOYLE. I wish also to thank you for coming and giving us the benefit of this very enlightening talk.

Is there anything else, Counsel?

Mr. TAVENNER. No, sir.

Mr. DOYLE. Are we to meet tomorrow?

Mr. TAVENNER. No, sir. On Tuesday.

Mr. DOYLE. Then the committee will recess until Tuesday morning, next, at 10:30, in this room.

(Whereupon, at 4:20 p. m., Thursday, January 10, 1952, the hearing was recessed to reconvene at 10:30 a. m., Tuesday, January 15, 1952.)

THE ROLE OF THE COMMUNIST PRESS IN THE COMMUNIST CONSPIRACY

TUESDAY, JANUARY 15, 1952

UNITED STATES HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON
UN-AMERICAN ACTIVITIES,
Washington, D. C.

PUBLIC HEARING

A subcommittee of the Committee on Un-American Activities met pursuant to adjournment at 10:45 a. m., in room 226, Old House Office Building, Hon. Clyde Doyle, presiding.

Committee members present: Representatives Clyde Doyle, Bernard W. Kearney, and Charles E. Potter.

Staff members present: Frank S. Tavenner, Jr., counsel; Thomas W. Beale, Sr., assistant counsel; Courtney E. Owens, investigator; John W. Carrington, clerk; and A. S. Poore, editor.

Mr. DOYLE. Let the record show that a subcommittee has been appointed for this hearing this morning consisting of Doyle, chairman, Kearney, and Potter.

Are you ready, Counsel?

Mr. TAVENNER. Yes, sir.

Miss Elizabeth Bentley, please.

Mr. DOYLE. Please rise and be sworn.

Do you solemnly swear that the testimony you give in this matter will be the truth, the whole truth, and nothing but the truth, so help you God?

Miss BENTLEY. I do.

Mr. TAVENNER. Please state your full name, Miss Bentley.

TESTIMONY OF ELIZABETH T. BENTLEY

Miss BENTLEY. Elizabeth T. Bentley.

Mr. TAVENNER. Miss Bentley, you have testified before the committee on previous occasions in respect to your participation in the Communist Party activities and the Communist Party underground. That is correct, isn't it?

Miss BENTLEY. Yes, that is correct.

Mr. TAVENNER. For whom did you work in your underground experiences in the Communist Party?

Miss BENTLEY. Well, I worked for Russian Intelligence, first under Mr. Jacob Golos, and then under various subsequent Soviet agents, including two unidentified ones, and Mr. Anatole Gromov, who was then first secretary of the Russian Embassy.

MR. TAVENNER. How was this association with the underground work headed by Mr. Golos formed?

MISS BENTLEY. You mean how did I get into it originally?

MR. TAVENNER. Yes.

MISS BENTLEY. Originally through my own efforts I obtained a position doing research work with the Italian Library of Information in New York, and that was the American branch of the Propaganda Ministry. And because of that, headquarters of the Communist Party told me I should go underground and that instead of going to a Communist meeting, a group meeting, I should be attached to just one man. The one man I was introduced to was Mr. Jacob Golos.

MR. TAVENNER. Well, what was Mr. Jacob Golos' function in the Communist underground?

MISS BENTLEY. Mr. Jacob Golos was a higher-up in the Russian Intelligence Service. He was in contact with the Embassy and consulate people and in turn in touch with the higher-ups in the Communist Party, such as Earl Browder, and he also was in touch with various agents who were used to infiltrate the United States Government, factories, and that sort of thing.

MR. TAVENNER. When did your connection with that work begin and end?

MISS BENTLEY. Well, actually, my connection with infiltrating the United States Government began in 1941, but my connection with other of these underground activities began in 1938, in the fall.

MR. TAVENNER. I meant particularly with reference to your work under Mr. Jacob Golos.

MISS BENTLEY. Oh, in October 1938.

MR. TAVENNER. And ended when?

MISS BENTLEY. At his desk, which was November 25, 1943.

MR. TAVENNER. Did you remain in the service of the apparatus after the death of Mr. Golos?

MISS BENTLEY. Yes, I did. I was picked up by a subsequent Soviet contact named Bill—that was his code name—and continued on until August of 1945, when I went to the FBI, and then, under the instructions of the FBI, I continued on for some time after that.

MR. TAVENNER. In the performance of your work in the apparatus conducted by Mr. Jacob Golos, did you have occasion to meet a person by the name of Helen Tenney?

MISS BENTLEY. Yes, I did.

MR. TAVENNER. Will you state just what Helen Tenney's connection was with the underground apparatus conducted by Mr. Golos?

MR. DOYLE. I wish to state to the photographers that any shots that are to be taken should be taken as the witness begins, and then the pictures should be discontinued, so that there will be no interruption. It would seem, however, that if you did not take the pictures in the beginning, we could have them taken now and have that part over with. That only refers to the movies.

MR. TAVENNER. Will you read the pending question, Mr. Reporter? (The reporter reads, as requested.)

MISS BENTLEY. Helen Tenney was an agent who was planted in the OSS in order to give information to Soviet Intelligence.

MR. TAVENNER. How long, approximately, did she engage in that work? And can you tell us more of the character of that work conducted by her?

MISS BENTLEY. Originally, she was a member of the Communist Party in a unit, that is, in the ordinary set-up of the Communist Party, and had done quite a great deal of work during the Spanish war, for example. And then she became connected with an organization which was subsidized by the OSS in New York City. The organization existed for the purpose of picking up men who would be useful for undercover work abroad for the OSS. At that point, she was in contact with Grace Granich, who was then head of Intercontinent News. And Grace Granich, who was working with Mr. Golos, came to him and told him that she would be useful for the underground.

So she was told to sever her connections with the open party and to report only to him. Then she was told to go to Washington and get a job with the OSS, which she did.

On Mr. Golos' death, I took her over, checked up the whole story and the background she had told me, and continued to use her until the end of 1944, and I know from talking to her subsequently that she continued on through 1945, at which point I believe she lost her contacts.

MR. TAVENNER. Now, where was Miss Tenney placed in the Government service?

MISS BENTLEY. Well, she actually placed herself.

We had sent her in with the idea that she would end up in the Latin American Division of the OSS. We had some one in there. Instead of which, she turned out to be so valuable that the OSS put her in their hush-hush Spanish Division, where she functioned until the OSS split up; and then, when the OSS split up, a part of it was turned over to the War Department, and she went with that section of the War Department. She is now out of Government, has been for 3 years.

MR. KEARNEY. I did not hear that last.

MISS BENTLEY. She is now out of the Government service. I have forgotten the exact date when she left her job. I believe it was in 1946 sometime, early.

MR. TAVENNER. Are you personally acquainted with Grace Granich?

MISS BENTLEY. I don't think I have ever met her, no.

MR. TAVENNER. Mr. Chairman, I have no further questions to ask of Miss Bentley now, except that I would like to call her before an executive session of the committee to ask her for some lead information relating to matters. But I have no further question to ask her about this.

MR. KEARNEY. Do you know what Miss Tenney is doing at the present time?

MISS BENTLEY. No, I don't. I know that she had intended to get back into private industry, but I have lost track of her in the last 2 years.

MR. KEARNEY. Do you know where she lives?

MISS BENTLEY. The last I heard of her, she was living in New York City. I imagine she is still there.

MR. POTTER. Miss Bentley, you stated that you had a person in the Latin section who would place Miss Tenney. Who was that person?

MISS BENTLEY. It was the head of the Research and Analysis Division, Latin American Branch. That was Mr. Maurice Halperin.

MR. POTTER. Is he still in Government, do you know?

MISS BENTLEY. No, I believe he went out, too, in about 1946, possibly earlier. I am not sure of the date of that.

MR. POTTER. Was he a contact for you, or did he serve the purpose of placing persons that you were interested in having placed?

MISS BENTLEY. Well, his main function was in obtaining information for us, but secondarily if he could get some one in, of course, we would use him for that.

MR. POTTER. Do you know where he is located now or what his occupation might be?

MISS BENTLEY. Someone told me, I believe, he was connected with some social work organization, but I am not sure of the title of it. In New York City, I believe.

MR. POTTER. That is a private organization?

MISS BENTLEY. I understand so, but I am not sure.

MR. POTTER. And located in New York?

MISS BENTLEY. In New York City, I believe.

MR. POTTER. I have no further questions, Mr. Chairman.

MR. DOYLE. May I ask you this, Miss Bentley: Do you know under what conditions this woman and the man were separated from the Government employment? Was it at their own request, or the Government's request?

MISS BENTLEY. No, I understand that the Government requested that they be removed.

MR. DOYLE. Counsel, when do you wish the executive questioning?

MR. TAVENNER. I believe just before we go to lunch this morning would be the best time.

MISS BENTLEY. Yes, that would be best, Mr. Chairman.

MR. TAVENNER. Mr. Louis Budenz, please.

MR. DOYLE. Mr. Budenz, will you be sworn, please?

Do you solemnly swear that the testimony you give in this matter will be the truth, the whole truth, and nothing but the truth, so help you God?

MR. BUDENZ. I do.

MR. DOYLE. Be seated, please.

MR. TAVENNER. Will you state your name, please, sir?

TESTIMONY OF LOUIS FRANCIS BUDENZ

MR. BUDENZ. Louis Francis Budenz.

MR. TAVENNER. How are you now employed, Mr. Budenz?

MR. BUDENZ. I am a professor at Fordham University.

MR. TAVENNER. You were formerly a member of the Communist Party and renounced your membership in the Communist Party, I think?

MR. BUDENZ. That is right. I renounced it in 1945.

MR. TAVENNER. And you have testified before this and other committees on the general subject of communism and in regard to particular matters that you have been asked about?

MR. BUDENZ. Yes, sir, I have.

MR. TAVENNER. Mr. Budenz, you are aware of the hearings, I suppose, which we have been conducting here for several days, relating to the activities of Max Granich and Grace Granich in China?

MR. BUDENZ. Yes, sir. I know that those took place.

Mr. TAVENNER. Have you ever been acquainted with either of those persons?

Mr. BUDENZ. I knew them both. I knew them both as members of the Communist Party and as functionaries of the Communist Party.

Mr. TAVENNER. How did you first become acquainted with Max Granich?

Mr. BUDENZ. Max Granich, I became acquainted with in 1940, approximately, when he came to me to get a credential from the Daily Worker. He said he wished to use it in underground work; that is to say, under the guise of being a newspaper correspondent, he was to get information that would be helpful to the Soviet or Communist underground.

Mr. TAVENNER. When did you first become acquainted with Grace Maul Granich?

Mr. BUDENZ. I first met Grace Granich as Grace Maul, in the fall of 1935, almost immediately after I joined the Communist Party. She was then located on the ninth floor, that is, the headquarters of the Communist Party. She was the assistant to J. Peters.

Mr. TAVENNER. Who was J. Peters?

Mr. BUDENZ. J. Peters, as I testified in his deportation proceedings, confronting him as a witness, was the liaison officer between the Communist International apparatus in this country and the Soviet Secret Police operating here. He stated that to me himself, and I knew enough of his activities to know that that was correct.

Mr. TAVENNER. Was he deported as a result of the hearings before the Immigration and Naturalization Service?

Mr. BUDENZ. He agreed to leave the country, although the deportation was clearly to be ordered.

Mr. TAVENNER. Now, you have stated that Grace Maul was an assistant to J. Peters. Do you know of your own personal knowledge of the character of the work that she performed as his assistant?

Mr. BUDENZ. Not in detail. I wouldn't know of that.

The only thing I know is that in the early fall of 1935, immediately after I joined the Communist Party, I had to make many reports to J. Peters in regard to the Trotzkyite organization. At his request, I had established contacts within that organization, and they were reporting to me, giving to me the proceedings of the national committee of the Trotzkyites, their various important meetings, and the like.

These I relayed to Peters, but had to deliver them personally.

In the course of doing that, the first contact, as a rule, was with Grace Maul, with whom I arranged a meeting with Peters. Sometimes I didn't have to do that, but very frequently that was the case.

Mr. TAVENNER. Were any of your conferences with P. Peters conducted in her presence, in the presence of Grace Maul?

Mr. BUDENZ. No; not that I can recall.

Mr. TAVENNER. What was the next occasion of your meeting Grace Maul, if you can recall?

Mr. BUDENZ. During this period that I mentioned, I met her a number of times, of course, because I had to see her frequently in order to see Peters. But then I did meet her at a national committee meeting of the Communist Party in early 1936, or maybe it was the latter part of 1935. And as a matter of fact, Herbert Benjamin, his wife,

Grace Maul, and I came down together—we lived in the same neighborhood in New York—after the meeting.

Mr. TAVENNER. What do you mean by “came down”?

Mr. BUDENZ. Came down on the elevated together, or subway.

At that time, she told me she was going abroad for the Communist Party; that is, that she had an assignment to go abroad.

Mr. TAVENNER. Did she discuss that assignment with you?

Mr. BUDENZ. No; except to say that it was a Communist assignment; that she had been assigned this by the party.

Mr. TAVENNER. Now, that conversation was, did you say, in the last part of '35 or early part of '36?

Mr. BUDENZ. Yes, sir. I think the last part of '35, by the way. I was in Washington in the early part of '36, at least from the last part of January on. It could have been, though, in the early part of January 1936. I am not quite certain. It was in that period.

Mr. TAVENNER. Did you see Grace Maul after her return from China?

Mr. BUDENZ. Yes, sir. In 1939, in the fall or winter, I returned from Chicago for conferences in regard to the protection of the Communist press during the Hitler-Stalin pact period. In one conference, Grace Maul and Earl Browder and Joseph Brodsky were present with others. I can remember them. They discussed the possibility of forming the Intercontinent News Corp.

Then again, immediately after my return from Chicago, when I returned to the Daily Worker, in February 1940 or March 1940, I also was present at a conference with Grace Granich, as now she calls herself, on the same subject.

Mr. TAVENNER. And that subject was what?

Mr. BUDENZ. The possibility of protecting the Communist press in this country during the Hitler-Stalin pact period, by the formation of the Intercontinent News Corp.

Mr. TAVENNER. Now, before we get into a discussion of the Intercontinent News Corp. and its activities, I think it would be well for us to develop information relating to the operations of the Daily Worker at about that time and the effect of the Foreign Agents Registration Act of 1938, as a basis for further discussion of the work done by the Intercontinent News.

Mr. BUDENZ. The Daily Worker had for years, and was so doing when I became a member of its editorial board, received hundreds of thousands of words by cable and wireless from Moscow through the Runag News Agency, Rundschau. This was completely without charge to the Daily Worker, including the English translations in Moscow. These communications consisted of the wiring or cabling, wirelessness or cabling, of entire articles from Pravda, statements by Stalin, and articles written in other Soviet publications. They were translated, as I say, into English in Moscow, sometimes relayed through London and other cities, but they came directly to the Daily Worker.

There were a great number of machines there to receive them. Sometimes we had to have three or four extra operators to receive these communications from abroad.

And that was the situation at the time we were having these discussions.

For example, during the period of the Trotskyite-Bukharinist trials, the purge trials, we received almost word for word the testimony by wireless, with the exception of a preposition being left out, or a few things like that; and they were published largely word for word, the questions of Vishinsky and the answers of the defendants, in the Daily Worker at that time. This all came by wireless or cable to the Daily Worker.

MR. TAVENNER. Were the transmission charges prepaid?

MR. BUDENZ. They were all prepaid; yes, sir. The Daily Worker had to bear no expense whatsoever on this material.

MR. TAVENNER. Will you tell the committee just what Runag was, what type of an organization it was and to whom it was responsible?

MR. BUDENZ. Runag is the name, abbreviated, for the Russian News Agency in English. It had various names in various languages, of course, all meaning Russian News Agency. It was directly under the control of the Soviet commissariat of communications and was its creature. Therefore, it was an agency and creature of the Soviet Government completely. It collected material from all over the world, including China and other places. These were cabled in to the center, and then they were selected and sent back to the various countries.

The Daily Worker received them direct, as I say, on machines right in the Daily Worker office on the eighth floor of 35 East Twelfth Street, New York.

MR. TAVENNER. What was the importance to the Daily Worker and to the Communist Party of the receipt of these messages from Runag?

MR. BUDENZ. First of all, it was the propaganda they needed; but secondly, and above all, each one of these articles contained directives. This is the method by which Communist directives are given, and why they are so successful in concealing their presentation of the line.

The Communists read each article that they receive. And I know this certainly by experience. I had to pore with the midnight oil over these documents. The Communists read every article to find the directive. It may be a minor directive or a major directive. These contain directives. They modified the line or interpreted the line or explained the Communist conditions in various countries.

Immediately, the Daily Worker not only published a great number of these communications but adjusted its editorial policy and its working accordingly. That is, the editorials of the Daily Worker or special articles by its staff writers reflected these communications.

MR. TAVENNER. Then you would say that the rendering of that service was extremely important and vital to the functioning of the Communist Party in the United States?

MR. BUDENZ. It was one of the most vital functions for the Communist Party not only in the United States but throughout the world. But specifically here, since the Communist Party day by day based its viewpoint and the message that it got out through the Communist which was then its theoretical organ, and then through the Daily Worker, and then on out further, on these communications.

In addition to that, there were the oral and brief communications from the representatives of the Communist Internationale, but they necessarily had to be quite in political shorthand, if I may put it that way. That is, they had to be brief, because they were oral.

But these were the extensive directives in order to be able to know what phrases to use, what attitudes to take, and how to push forward

the cause of the Communists in various countries, here in the United States.

Mr. POTTER. Did any other publication in the United States receive this service?

Mr. BUDENZ. No, sir. Well, only Communist publications. The Freiheit also availed itself of it, and it did through the Daily Worker go out to the various foreign-language papers that the Communist Party had. I doubt, though, that any other paper received it. In fact, I can say definitely no one else received it but the Daily Worker, since the Freiheit got an extra copy and it was off the Daily Worker's machine.

Mr. POTTER. And I assume it was your responsibility to transmit that to other, as you say, foreign-language papers that might be Communist-controlled. I don't know whether you had any at that time.

Mr. BUDENZ. Oh, yes. Quite a few. In fact, very many foreign-language papers.

Mr. POTTER. Was that a responsibility of yours, to see that they got it? Or did they receive it direct, the same as you?

Mr. BUDENZ. No; the Daily Worker was the only one that received it direct, and then the Freiheit, it being in the same building and it being a large paper also, comparatively, within the Communist ranks, received one copy. The rest of them took their information generally from the Daily Worker itself.

Mr. KEARNEY. There was some reference made by Mr. Potter to foreign language newspapers. You mean Communist controlled? You do not want the impression to go out that all foreign language newspapers—

Mr. BUDENZ. No, I mean those that were Communist, like El Elore, the Hungarian paper, and many others I could mention if I just had time to think them over. There were Polish papers in Detroit and a Rumanian paper in Detroit, and a Lithuanian paper in New York, and the like. These were specifically the Communist papers; particularly in the Hungarian field. I mentioned El Elore. Solidaridad was certainly not Communist at all. The majority of foreign language papers were not. But I am specifically referring to those that were. Just as the Daily Worker, of course, was the English language daily.

Mr. TAVENNER. Were the directives which you received through this source discussed with the heads of the Communist Party?

Mr. BUDENZ. Yes, sir. In fact, they were deeply interested. I forgot to tell you that a copy was also sent up to the ninth floor.

Mr. TAVENNER. By "ninth floor," what do you mean?

Mr. BUDENZ. The ninth floor was at that time so well known as the national headquarters of the Communist Party that you referred to it mechanically; it was "the ninth floor." The Daily Worker editorial offices were on the eighth floor. That is, of 35 East Twelfth Street, New York City, or 50 East Thirteenth Street; it was a building that ran through between the two streets.

Mr. TAVENNER. Now, what effect did the Foreign Agents' Registration Act have upon this activity which was being engaged in between the Daily Worker and the Communist Party through Rumag?

Mr. BUDENZ. Well, it had an immediately injurious effect, in the sense that this material had to be labeled propaganda, for one thing;

and also, registration was required. And that would have admitted that the Communist Party and its activities were those of a foreign principal.

This the Communist Party did not want to acknowledge. And that, of course, presented problems, not only to the Daily Worker specifically, which was then the organ of the Communist Party, but to the Communist Party, which at that time was affiliated openly with the Communist International. I am speaking of this first stage, when Runag was being used.

MR. TAVENNER. Yes. Well, now, as a result of the problem which you have described, did the Daily Publishing Co., Inc., which published the Daily Worker go through the form of endeavoring to register under the Foreign Agents' Registration Act?

MR. BUDENZ. Yes, sir, it did. At that time, I was not yet managing editor of the Daily Worker nor president of the corporation, but the legal arrangements were in the process, and I was in on most of the discussions in that connection. It decided to register but to deny that it was a foreign agent; nevertheless to register with the names of those agencies from which it received its information.

MR. TAVENNER. Mr. Chairman, I would like to introduce in evidence registration statement of March 30, 1940, made by Daily Publishing Co., Inc., and ask that it be marked "Budenz Exhibit No. 1."

MR. DOYLE. It will be accepted and so marked.

(The registration statement of March 30, 1940, made by Daily Publishing Co., Inc., was marked "Budenz Exhibit No. 1," and is filed herewith.)

MR. KEARNEY. I note, under question 8, a statement made that :

Keeping in mind the answer to question 7, to the effect that we do not consider those with whom we do business abroad as our principals, we herewith set forth the addresses with whom we do business, as above indicated.

Is that statement correct?

MR. BUDENZ. That statement was utterly false, since the principals were footing the bill completely, and it was a tremendous bill, for these services. In addition to that, the Daily Worker was completely following the instructions of the principals and the directives given in these various articles.

So, from a twofold viewpoint, it was incorrect.

MR. KEARNEY. In other words, the answers to most of the questions on this registration statement were either double talk or absolutely false. Is that not so?

MR. BUDENZ. That is correct, completely correct.

MR. TAVENNER. I had intended to ask you to read question 7. I guess we might as well do it. It is partly answered already.

MR. BUDENZ. Question 7?

MR. TAVENNER. Yes; which explains a little more fully the matter which was just brought out by the Congressman.

MR. BUDENZ. This is a fine example of how the Communists tried to mix things up :

Name the foreign principal, or principals if more than one, for which registrant is acting as agent.

MR. TAVENNER. That is the question?

MR. BUDENZ. That is the question. The answer is :

We do not act as agent for any foreign principal. We herewith set forth the source of foreign cable news which we receive: (1) United Press.

That, of course, as I say, is obviously an effort to mix up the situation, because that was not involved in this question of registration.

United Press is a commercial news agency, and the Daily Worker merely purchased its news from them on a commercial basis. It had nothing to do with this matter.

(b) Rundschau, Delta Verlag, in Berlin.

(c) Agence France-Monde.

That was the French agency corresponding to Runag and was the Communist agency. But the effort to bring in the United Press, I think, is a very typical Communist example of trying to confuse the issue.

Mr. KEARNEY. After that statement was filed, was there any attempt made by the agency with whom the statement was filed to clarify the answer to that particular question, question 7?

Mr. BUDENZ. Well, there were considerable steps in this matter, Congressman. The discussions went over a long period of time. The Daily Worker constantly, by new devices, as we shall see, I believe, as we go forward, was trying to evade this issue and to discover new legal contraptions, if I may use that term, to confuse the issue.

Mr. KEARNEY. Would you mind giving the name of the counsel to the paper at this time?

I will withdraw that question.

Mr. TAVENNER. Now, the registration which was just handed you, of March 30, 1940, sets forth that the contractual arrangements were made through an oral agreement between Earl Browder and these various services, such as Runag.

Do you have any knowledge with respect to the development of that matter?

Mr. BUDENZ. Yes, sir. That was put forward solely in order to present the Daily Worker as becoming or already divorced from the Communist Party.

There were two stages in this effort to protect the Daily Worker and the Communist Party as foreign agents.

The first of these was to assure the Daily Worker of being protected, so that under the cry of "freedom of the press," which you will note finally became the name of the corporation controlling the Daily Worker, they would be able to have solid grounds for continuing the publication, which was actually a telegraph agency of directives to the Communists throughout the country.

Now, the first step therefore taken in the discussion was to endeavor to establish legally the independence of the Daily Worker from the Communist Party. This was one effort, that is, the statement by Browder, that he had made all the arrangements in regard to these agencies, and that he had done it on his own initiative, and that the Daily Worker merely accepted what he had done, but that the Daily Worker in no way was bound by his actions.

Mr. TAVENNER. Mr. Budenz, I would like to show you a copy of the letter from the Secretary of State to the Daily Publishing Co. under date of April 3, 1940, which requests the Daily Publishing Co. to furnish the details on the contractual arrangement between these various news agencies through Mr. Browder.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. I desire to offer it in evidence and ask that it be marked "Budenz Exhibit No. 2."

Mr. DOYLE. It may be filed and so marked.

(The letter above referred to, marked "Budenz Exhibit No. 2," is filed herewith.)

Mr. TAVENNER. I think it may be well to read the letter.

Your registration statement, submitted, pursuant to the terms of Section 2 of the Act of June 8, 1938, as amended by the Act (Public, No. 319, 76th Congress) approved of August 7, 1939, requiring that the registration of agents of foreign principals, has been accepted and filed under the number 417 and date March 30, 1940.

Although it is noted that, under paragraph 7, you state, "We do not act as agent for any foreign principal," it is assumed that, inasmuch as you have submitted a registration statement in conformity with the provisions of law referred to above, your activities are of such a character as to come within the scope of the Act of June 8, 1938, as amended. Should this be the case, it would appear that your registration statement is incomplete in this respect, and it is suggested, therefore, that you will wish to submit further information in this regard in order that your registration statement may be complete in all necessary particulars.

It is noted that you have not furnished, in compliance with the instructions under paragraph 12 of the registration statement, a full statement of the terms and conditions of the oral agreement made on your behalf by Mr. Earl Browder with Runag (Rundschau, Delta Verlag) and Agence France-Monde. You are requested to transmit this information at once, in order that your statement may be completed in this respect. Your attention is invited, in this connection to chapter IV, paragraph (5) of the regulations issued pursuant to the Act of June 8, 1938, as amended, a copy of which is enclosed.

This is a photostatic copy of a letter which says:

For the Secretary of State: Charles W. Yost, Assistant Chief, Division of Controls.

Now, what was done in response to that request, which was made on April 3? Do you recall?

Mr. BUDENZ. Yes, sir. We had a discussion of that matter with Mr. Edward Kuntz, who was counsel for the Daily Worker, and as a result there was a communication sent in to the State Department, allegedly giving an explanation of Browder's arrangements.

Mr. TAVENNER. I hand you a photostatic copy of the covering letter of Edward Kuntz of June 28, 1940, enclosing a letter from Earl Browder. I desire to offer it in evidence and ask that it be marked "Budenz Exhibit No. 3."

Does that letter represent the result of the decisions reached relating to this matter?

Mr. BUDENZ. Yes, sir; that does.

Mr. DOYLE. Let it be marked and filed as an exhibit.

(The material above referred to was marked "Budenz Exhibit No. 3," and is filed herewith.)

Mr. TAVENNER. I would like to ask you a number of questions relating to the covering letter, but, first, with reference to the enclosure of Earl Browder: This letter purports to show the circumstances under which Earl Browder, acting in his allegedly private capacity, entered into verbal arrangements with these various news agencies prior to the existence of a publishing company which was then registering, the Daily Worker Publishing Co. Can you tell the committee anything about that, as to what the practice was, and what the real purpose was in Browder giving this letter?

Mr. BUDENZ. The real purpose of Browder giving that letter was in order to cut off the Daily Worker from the onus of being a foreign agent; and by Browder's having made this arrangement, it was con-

sidered that it would be a private transaction, legally, and therefore that the Daily Worker could not be held to registration as a foreign agent for acts which were done in its behalf, the benefits of which it accepted, but which actually it had not either engineered nor agreed to.

MR. TAVENNER. I would like to read the covering letter from Mr. Edward Kuntz. But before doing so, who was Mr. Edward Kuntz?

MR. BUDENZ. Mr. Edward Kuntz was attorney for the Daily Worker. It is true that the Communist Party had its attorneys, and sometimes they stepped into the picture, but Edward Kuntz was technically the attorney for the Daily Worker itself.

MR. DOYLE. May I ask you this question, right there? As a matter of fact, was it not generally agreed to that this process should be taken? And by "agreed to," I mean by the officials and attorneys for the Daily Worker, with Earl Browder.

MR. BUDENZ. Oh, yes. It was agreed that this would be done in order to evade the Foreign Agents' Registration Act.

MR. DOYLE. When you say it was agreed, my question is directed to whether or not it was agreed to by the officials of the Daily Worker and their legal counsel also.

MR. BUDENZ. That is correct. I have been in conferences where this was discussed.

MR. KEARNEY. Is Kuntz a member of the Communist Party?

MR. BUDENZ. Yes, sir.

MR. KEARNEY. He is?

MR. BUDENZ. Yes, sir. I know Mr. Kuntz very well. I have been in his office very often, he has been in my office very often, and he is a member of the Communist Party.

MR. TAVENNER. The date of this covering letter is June 28, practically 3 months after the inquiry sent by the State Department.

MR. BUDENZ. When I say "he is" I mean, of course, he was during all the period that I was in the party. I have no knowledge today of his affiliations.

MR. TAVENNER. Mr. Chairman, I would like to read this letter. The letter is addressed to the Department of State:

GENTLEMEN: In reply to your letter of April 3rd, 1940, re the above entitled matter, I am authorized on behalf of my client, Daily Publishing Company, to state the following: My client does not act as an agent for any foreign principal by reason of its agreement with the news agencies mentioned. Its reason for giving the information contained in the questionnaire is simple enough: that it was given to understand that the Government desired the information and it received the questionnaire implying that there might be a question of legal interpretation, and my client had no reason to make an issue of the matter. The facts were therefore given and they speak for themselves. My client feels that under the disturbing conditions of this particular time, if the Government wishes to know of matters of connections or lack of connections with foreign concerns, anybody ought to be glad to cooperate in giving the information.

In line with that position, we are enclosing herewith a photostat of a letter requested by us from Mr. Earl Browder and trust that the filing of the same will answer the request contained in the latter part of your letter.

You will please note that the agreement referred to by Mr. Browder was made prior to the existence of the corporation which now publishes the Daily Worker; however, my client requests me to inform you that it has continued the arrangement.

I want to read again one sentence and call it particularly to your attention:

My client feels that under the disturbing conditions of this particular time, if the Government wishes to know of matters of connections or lack of connections with foreign concerns, anybody ought to be glad to cooperate in giving the information.

Now, does that sentence correctly reflect the attitude of the Communist Party in 1940, and that of the *Daily Worker*?

Mr. BUDENZ. It certainly does not.

At that time Browder officially was declaring President Roosevelt to be another Hitler and was engaged in declaring that any aid given to Great Britain or any effort by us to strengthen our national security was imperialist and Fascist. And, of course, you need only refer to the columns of the *Daily Worker* and to the proceedings of the Communist convention of that year to know the intention was an attack on the United States Government and its head, Mr. Roosevelt; I mean, as head of the Government.

Now, in addition to that, it was at that convention of that year that the Communist Party gave a particular pledge of loyalty to Joseph V. Stalin, saying they were proud of their association with him.

So you see, this was scarcely in line with their pronounced sentiments—and attitudes too, by the way.

Mr. TAVENNER. And, as a matter of fact, Mr. Budenz was not the Communist Party and the *Daily Worker*, at the very time of the writing of this letter, on June 28, 1940, engaged in the work of contriving a plan which would conceal from the United States Government the very information that the Government was seeking to obtain here with regard to its connection with foreign powers?

Mr. BUDENZ. Yes, sir. They were engaged in at least three plans to that effect: that is, I mean, three full plans all working in the same direction. They were engaged in trying to find a way to get this source of directives from Moscow without coming under the Foreign Agents' Act, and therefore concealing from the United States Government the true character of their principal and the source of their directives and information and the method in which it was financed.

It was completely financed by Moscow. And secondly, they were also preparing a way to divorce the *Daily Worker* itself from the Communist Party technically, and that was just being achieved at that time.

And thirdly, they were about to separate the Communist Party technically from the Communist Internationale, purely a legal maneuver for the same purpose.

Mr. TAVENNER. Now, you spoke of a plan being made by the Communist Party to divorce the *Daily Worker* from the Communist Party technically. What did you mean by that?

Will you elaborate?

Mr. BUDENZ. Yes, sir. It finally was worked out, through the establishment of a new corporation. I used to say we had more corporations down there in the Communist Party headquarters than they have on Wall Street. But they appear every so often.

Now, there had been the Contra Daily Publishing Co.; then the Daily Publishing Co. And all this was coming about during this period. And then there came about the Freedom of the Press Co., Inc., of which I became the president. That, if you will notice the change in masthead, shows that it is no longer the organ of the Communist Party—though actually it was. Therefore, it was to be my position, along with that of Benjamin J. Davis, who was one of the officers, to make the assertion, should it ever be necessary, that we were not actually an organ of the Communist Party, and indeed were only connected with it in the sense that we advocated certain views which coincided with those of the Communist Party.

MR. TAVENNER. In other words, that was part of the strategic plan, to set aside the Daily Worker as a separate organization to act publicly.

MR. BUDENZ. Yes, sir. At that time the Communist Party began to go underground completely, with its leadership. Bittelman disappeared. Stachel disappeared. There were only four national leaders left on the ninth floor. I mean, by degrees, this took place. Dennis disappeared. They all went underground. And the idea back of this whole thing—I mean, this was progressive. The climax finally developed in 1941. But this process was going on.

And the idea back of it all was that in the final eventuality the Daily Worker could be preserved as the place from where directives could be issued, and that it would be appearing under the phrase "The Freedom of the Press," that being a popular phrase which it was felt would be able to support them in that contention, and the Daily Worker was to be set aside as though it were not the organ of the Communist Party and as a matter of fact as though it were only following a certain Communist viewpoint but was not organically connected with the Communist Party.

MR. TAVENNER. Then I understand there was a strategic plan by which the Communist Party would remain above ground, so to speak; but even as to it there should be no connection openly with the Communist Party?

MR. BUDENZ. The Daily Worker, you mean?

MR. TAVENNER. I meant to say the Daily Worker.

MR. BUDENZ. That is correct.

MR. TAVENNER. In other words, the connection of the Daily Worker with the Communist Party and the Communist Internationale should be a secret matter?

MR. BUDENZ. That is right. Legally at least; so that we could contend legally that that was the case.

MR. TAVENNER. But covertly the same relations were to continue?

MR. BUDENZ. Exactly the same relations. William Z. Foster continued to be the representative of the Politburo, meeting with the editorial board, and we continued to receive directives from the Politburo, and we continued to receive directives from Moscow, exactly the same as had taken place before.

MR. KEARNEY. As a matter of fact, any decision made by the Communist Party in this country was dictated by Moscow, was it not?

MR. BUDENZ. Absolutely. There could be no deviation from what Moscow ordered.

MR. TAVENNER. Now, to carry out the point that you have made in regard to this dual capacity of the Daily Worker and this change of

the situation on its face, I hand you photostatic copies of the Daily Worker for July 31, 1940, and the following day, August 1, 1940, and ask first that they be marked "Budenz Exhibits 4 and 5."

Mr. DOYLE. They may be so marked.

(The copies of the Daily Worker referred to, marked "Budenz Exhibits 4 and 5," are filed herewith.)

Mr. TAVENNER. And I will ask you to examine the mastheads and ask you what significant change appears there.

Mr. BUDENZ. The masthead of Wednesday, July 31, 1940, contains the sickle and the hammer, that is, the official insignia of Soviet Russia, right between the words "Daily" and "Worker." It also says, below that, "Central organ, Communist Party, U. S. A., affiliated with Communist Internationale, published daily except Sunday by the Daily Publishing Company, Incorporated, 50 East 13th Street, New York, New York."

Then it gives a list of the officers, the telephone number, and other information of that character.

On the next day, Thursday, August 1, 1940, the Daily Worker has dropped the sickle and hammer, and it is merely "The Daily Worker, published daily except Sunday by the Freedom of the Press Company, Incorporated, 50 East 13th Street, New York, New York." Then it gives the list of officers, who are all changed, with myself as president. It is to be noted that "central organ of the Communist Party" has been dropped, "affiliated with the Communist Internationale" has been dropped, but the address remains the same, the telephone number remains the same, the cable address remains the same, and everything else except the names of the officers remains the same.

Mr. TAVENNER. I hand you now the registration for the year 1940 under the name of Freedom of the Press, Inc.

Mr. DOYLE. First, may I ask: Did you want to have the exhibits that were previously marked accepted?

Mr. TAVENNER. Yes. I thought they had been received.

Mr. DOYLE. Those documents may be filed.

Mr. TAVENNER. I desire to offer this registration, that is, the registration of Freedom of the Press, Inc., in evidence, and ask that it be marked Budenz Exhibit 6.

Mr. DOYLE. It is so ordered.

(The document referred to was marked "Budenz Exhibit 6," and filed herewith.)

Mr. BUDENZ. Yes, sir: I am familiar with this.

Mr. TAVENNER. I notice that your name appears as president of the corporation.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. I believe you testified a moment ago as to that fact.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. This was the new corporation formed for the purpose of carrying out this strategic plan that you had mentioned a few moments ago?

Mr. BUDENZ. That is correct, Freedom of the Press Co., Inc.

Mr. TAVENNER. Will you look again at question 7 in this registration and state whether or not the answer given there is the same as was given by the Daily Publishing Co. in its registration of March 1940?

Mr. BUDENZ. Yes, sir. It is substantially. Through the business of stating, "We do not act as agents for any foreign principal," and then going on to say that they had purchased the assets of the Daily Publishing Co. and has made arrangements with Runag to continue their service.

Mr. TAVENNER. Will you look at two cablegrams attached at the very back of the registration statement?

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. Will you state what they are, please, and what their significance is?

Mr. BUDENZ. One is a cable dated August 2. That is the date after this announcement; August 2, 1940. It is from Runag, stating that they have been informed that the ownership of the paper has changed, and wishing to know if they wanted to continue on the same terms. And the cable back from the Daily Worker says that the new management proposes present service provisionally until it can send a representative to negotiate on a permanent basis.

Mr. TAVENNER. I notice that that had its origin in the cable from Runag.

Mr. BUDENZ. Yes, sir.

Mr. TAVENNER. Actually, was that whole thing arranged ahead of time, so that Runag would cable you with regard to that matter?

Mr. BUDENZ. Yes, sir; it was.

Mr. TAVENNER. And what was the purpose of that exchange of cablegrams?

Mr. BUDENZ. That purpose was in order to place on the record these cablegrams to make it appear as though Runag was dealing in an independent or commercial way with the Daily Worker and was inquiring as to whether this new corporation, which Runag was surprised to find in existence apparently, would want to do business with it as the other corporation had done business with it.

Mr. TAVENNER. But all having its origin here in the United States.

Mr. Chairman, this is a convenient break in the testimony, I believe, if we are going to have an executive session before lunch.

Mr. DOYLE. The committee will resolve itself into executive session and will hear Miss Bentley's testimony in executive session. That means that all visitors are excused from the room. And Mr. Budenz will take up his testimony at 2:30.

Will that be satisfactory, Mr. Budenz?

Mr. BUDENZ. Yes. That will enable me to get away today, Mr. Chairman?

Mr. DOYLE. Yes.

Mr. BUDENZ. Thank you very much.

(Thereupon, at 11:55 a. m., the public hearing was recessed until 2:30 p. m., and the committee resumed in executive session.)

AFTERNOON SESSION

(The hearing reconvened at 2:35 p. m., upon the expiration of the recess. Representatives Francis E. Walter (appearance noted in record), Harold H. Velde (appearance noted in record), Bernard W. Kearney (appearance noted in record), and Donald L. Jackson being present, Mr. Doyle, presiding.)

MR. TAVENNER. Mr. Budenz, will you occupy the witness chair, please?

MR. DOYLE. This morning when we recessed, we recessed until this hour. Let the record show that a subcommittee was set up to continue this hearing consisting of Mr. Jackson, Mr. Kearney, and Mr. Doyle, Messrs. Jackson and Doyle being present at this minute, and Mr. Kearney will come in.

TESTIMONY OF LOUIS F. BUDENZ—Resumed

MR. TAVENNER. Mr. Budenz, in our morning session we had developed two main points, I take it, from your testimony; the first the strategy that the Communist Party resorted to in its effort to conceal the Communist affiliation of the Daily Worker with the Communist Party, beginning at a specific date in 1945.

MR. BUDENZ. That is right; that part of it is correct.

MR. TAVENNER. And also a second strategy, that of continuing the transmission belt of information and directives from Moscow to the Daily Worker and the Communist Party.

Those two main strategies we had developed in the course of your testimony.

MR. BUDENZ. Yes, sir. That was what was the objective, and that was what at least temporarily was attained.

MR. TAVENNER. Now, we would like to know the extent to which Grace Granich participated in both of those strategies. But before asking you specifically regarding Grace Granich, I desire to introduce in evidence a letter from Mr. Edward Kuntz, attorney, to the State Department, under date of April 19, 1941, and ask that it be marked Budenz Exhibit No. 7.

(Representative Bernard W. Kearney entered the hearing room at this point.)

MR. DOYLE. That will be so marked and filed with the committee.

(The document above referred to was marked "Budenz Exhibit No. 7" and filed herewith.)

MR. DOYLE. May the record at this point show that Mr. Kearney has taken his seat on the committee.

MR. TAVENNER. I will read the paragraphs in this letter which are pertinent to the Graniches:

In March of this year a contract was entered into between my client and Grace Granich doing business as the Intercontinent News whereby all foreign news and cable service was and is to be furnished by that company. The contract became effective on April 1, 1941. Since April 1 my client has discontinued all relationship with any other foreign news services, and the only news services with which it now does business are the United Press and the Intercontinent News, both American firms. All other direct or indirect relationships with any foreign principal has been discontinued as of that date.

I am writing this communication to you to acquaint you with those facts, since I believe that it is no longer necessary for my client to register under the laws and regulations governing the registration of agents of foreign principals. I believe you will see the legal correctness of this, but I wanted you to be fully informed so that no misunderstanding might occur. Since the last registration period has really expired, or is about to expire, I do not think it necessary to make application to withdraw the present registration. However, if your department should prefer that method, it will be very pleased to comply with any suggestions you may have on that score.

That shows that a contract was entered into between the Freedom of the Press, Inc., of which you were then president?

Mr. BUDENZ. Yes, sir; I signed the contract with Grace Granich.

Mr. TAVENNER. And Grace Granich?

Mr. BUDENZ. Yes.

Mr. TAVENNER. Will you tell the committee the circumstances which led up to the contract with Grace Granich without repeating what you have already said as to the reasons for the action taken?

Mr. BUDENZ. Well, before this there had been formed this corporation known as the Intercontinent News Corp. That was in the spring of 1940.

Grace Granich was already active in it. However, this corporation, which was supposed to do what she finally did here—that is to serve as a buffer or cover, rather, for the transmission of the directives from Moscow—did not get fully functioning for several reasons.

The first of these reasons was that it was found difficult by the counsel for the Communist Party and the Daily Worker to devise a means which would explain this tremendous expenditure and the small amount of money that either the Daily Worker or the Freiheit—which was mentioned here before—could pay for such service.

A second reason was that one of the directors of this Intercontinent News Corp., Alexander Trachtenberg, had been before the House Committee on Un-American Activities around the latter part of 1939 and there was a fear that he would be recalled before this committee.

And there was fear that his interconnection with Moscow would be so pronounced that it would injure International Publishers, which is the outstanding Communist publication. Mr. Trachtenberg was constantly in touch with Moscow on that score. All his books had to be approved by the Marx-Lenin Institute in Moscow before they were published here.

And to have him engaged in another interconnection with Moscow was considered to be dangerous.

As a matter of fact, we were compelled, under instructions from the Political Bureau not to mention Mr. Trachtenberg any more as a member of the Central or National Committee.

Now, those were true of several reasons that this corporation did not get fully into the swing as was expected. Therefore, it was decided after several conferences, which lasted over several months, that Grace Granich would take over as a private firm or concern or individual in business, the idea of transmission or reception, rather, of articles and directives from Moscow, and that this would appear to be her own private business.

And that is what took place in the spring of 1941. She took over the whole thing legally, and, therefore, it became her business, so far as the legal question was concerned.

Mr. TAVENNER. Where were her offices maintained when she first began the work of organizing the Intercontinent News Corp.?

Mr. BUDENZ. In the headquarters of the Communist Party at 35 East Twelfth Street, New York. But in the spring of 1951 she moved over to 799 Broadway.

At the same time, the Daily Worker no longer received transmissions from Runag, and we did not have so many machines in there as formerly.

Mr. TAVENNER. Did she move over there as a result of directions received from the Communist Party?

Mr. BUDENZ. Oh, yes. As a result of instructions received from the Political Bureau and, likewise, these numerous discussions with Earl Browder, Joseph Brodsky, Mr. Kuntz, and other leading Communists.

Mr. TAVENNER. What was the purpose in requiring her to move her office out of the Communist headquarters?

Mr. BUDENZ. In order to make this appear to be her own private business, independent from either the Communist Party or the Daily Worker. That is, selling services to the Daily Worker rather than being an arm of the Daily Worker and the Communist Party.

Mr. TAVENNER. In other words, to perfect the cover which it was intended to establish?

Mr. BUDENZ. That is correct.

Mr. TAVENNER. Did you have occasion to confer with Grace Granich about the type of service that was to be given by her trading as the Intercontinent News?

Mr. BUDENZ. Yes, sir. I had many conferences with her—a number before this accomplishment in the spring of 1941, and then constant conferences with her, once a week, on the service itself.

Mr. TAVENNER. Yes. Now, before going into the conferences which occurred after the service had begun, I want at this time to introduce in evidence a registration statement of October 1, 1942, made by Grace Maul Granich, and ask that it be marked "Budenz Exhibit No. 8."

Mr. DOYLE. It will be so marked and accepted by the committee.

(The document above referred to, marked "Budenz Exhibit No. 8," is filed herewith.)

Mr. TAVENNER. Mr. Budenz, it appears that by this date, October 1, 1942, the administration of the Foreign Registration Act has been turned over from the State Department to the Department of Justice.

Mr. BUDENZ. That is correct.

Mr. TAVENNER. Therefore, she was required, that is, Grace Maul Granich was required at that time, the time of the transfer of these matters to the Department of Justice, to reexecute her registration, or to refile.

Now, this registration form is slightly different from the one which has been used by the State Department, but I want to refer to several questions asked her and replies made by her.

On page 2, section c, this question is asked:

Name and principal business address of each foreign principal on whose behalf or in whose interest registrant performs any activity requiring registration.

And the answer is:

Universal Press Service, 81 Gorki Street, Moscow, U. S. S. R.; cable address, SUPPRESS, Moscow, and UFFA and Runag, Moscow.

Now, in the previous registration that had been made by the Daily Publishing Co., and Freedom of the Press, Inc., in each instance it had been stated in answer to a similar question that there was no representation of a foreign agency.

But Grace Granich represents that she is the agent of a foreign principal.

Mr. BUDENZ. Yes, sir; she does, and that was because now she had separated herself technically, or legally, from the Daily Worker, and it was felt that at least that part of the realities had to be faced.

As a matter of fact, Earl Browder said that this might have to be

only a delaying action until we could find other ways to obtain the directives. Some of our own comrades down here in Washington had stated, those who were in positions where they might be consulted, that it was obviously a foreign agency since so much of the money was paid by Moscow, and that if they were asked by any governmental department what their opinion was in order to protect themselves for other work, they would have to say that this wouldn't stand up.

That is what Browder told us.

Mr. TAVENNER. And that was back during the days that the Daily Publishing Co. and Freedom of the Press, Inc., were endeavoring to register?

Mr. BUDENZ. That is correct.

Mr. TAVENNER. If pinned down, your own leaders would have to admit that they were representing a foreign principal?

Mr. BUDENZ. Well, at least leading Communists in Washington, who were not known as Communists, but who might be asked.

If I might mention a representative's name, Lee Pressman. They might be asked by a governmental department with whom they were in contact what they thought of this thing, and they said it was so obviously a foreign agency that in order to protect themselves in other activities they would have to say that it was.

Mr. TAVENNER. When you mention Lee Pressman, did you intend to state that he was one person who had made such a statement?

Mr. BUDENZ. No; I did not. But he was one of our Communists in Washington. No names can be remembered by me at the moment.

Mr. TAVENNER. That is the point. You cannot recall the names of any specific individuals in Washington who gave you that advice?

Mr. BUDENZ. No; I cannot.

Mr. TAVENNER. The result was that Grace Granich was instructed to register and admit in her registration that she was the agent of a foreign principal?

Mr. BUDENZ. That is correct.

Mr. TAVENNER. Now, the foreign principal is stated a little bit differently in this registration than in the former one. The foreign principal is stated to be Universal Press Service.

What was the Universal Press Service?

Mr. BUDENZ. That was just a Runag made over again. So far as our information went, the process continued just the same way, and the articles were just the same, and we were advised it was the same, except it had a different name.

The committee is appreciative by now that that is a Communist method, changing the name of organizations, but letting them remain substantially the same.

Mr. TAVENNER. The cable address was also the same?

Mr. BUDENZ. Yes.

Mr. TAVENNER. Now, was it also under the direction and control and also owned by the People's Commissariat of Communications as Runag was?

Mr. BUDENZ. That is correct. It was the creature and in possession of the People's Commissariat of Communications.

Mr. TAVENNER. Was the People's Commissariat of Communications a branch of the government of the U. S. S. R.?

Mr. BUDENZ. Yes, sir; it was an important branch of the Government of the Soviet Union. It controlled all communications within

the Soviet Union, and those that went from the Soviet Union outside, which were at all Communist in character.

Mr. TAVENNER. There is another section in this registration form which I would like to read to you on page 3, section g, of item 2:

Question. the name, address, and a brief description of the functions of every organization in the United States or elsewhere of which registrant is or has been a member during the 2 years preceding filing of this registration statement, stating as accurately as possible the dates of such memberships.

Answer. International Workers Order for past 7 or 8 years, fraternal insurance.

And then another item:

Until January 1, 1941, Communist Party, U. S. A., political party.

Now, was that a truthful statement as to Grace Granich when she said that until January 1, 1941, she was a member of the Communist Party?

Mr. BUDENZ. No, sir; unfortunately it was not. She perjured herself there. She was a member of the Communist Party up until I left the Communist Party. She attended national committee meetings where only Communist Party members were admitted, and the leading ones at that.

She also conferred with me repeatedly in the Daily Worker in person, as a member of the Communist Party.

Mr. KEARNEY. What date is that?

Mr. TAVENNER. The date of registration is October 14, 1942.

Mr. KEARNEY. The statute of limitations has run on that.

Mr. TAVENNER. Yes.

In conjunction with the activities of the Daily Worker, or, I should say, of the Communist Party, with regard to the Daily Worker, keeping concealed the fact of its Communist affiliation, did the Communist Party of the United States near the same time take action to conceal its connection with the Communist International?

Mr. BUDENZ. Yes, sir. It withdrew from the Communist International after the passage of the Voorhis amendment to the Foreign Agents' Registration Act. That is approximately in the fall of 1940, toward the winter of 1940.

At that time Browder stated to the national committee—I being present—that this was purely for legal purposes, and, indeed, he stated that in print, now, either in the Communist, or in the Daily Worker, it is in print to the effect that this was a legal maneuver.

Mr. TAVENNER. And as far as actual facts are concerned, it was a mere subterfuge?

Mr. BUDENZ. That is correct; it was purely for the purpose of evading the Voorhis amendment to the Foreign Agents' Registration Act.

Mr. TAVENNER. Now, did the Intercontinent News as organized by Grace Granich also furnish directives to the Communist Party as distinguished from the Daily Worker through the services of the Intercontinent News?

Mr. BUDENZ. Well, the chief purpose of these services was to give directives to the Communist Party, which would express them through the Daily Worker, first by printing the great number of them, that is, publishing them, and, secondly, by having them affect the editorial policy and the writings of the staff members of the Daily Worker. They were used to extend the line.

This is the way, in large part, the line of the party was learned from Moscow. Just as today it is learned through the Cominform.

But this method was necessary to carry on the Communist conspiracy in accord with whatever Moscow would decide.

Therefore, in addition to some articles which were published, on all copies of every article which was received, a duplicate was sent immediately to the ninth floor for their information, and in order that they would have the latest directives at their disposal.

On the basis of that, the ninth floor, to my knowledge, in addition to using the Daily Worker as its telegraph agency to the Communists throughout the country, at the same time would also issue occasionally directives to the district leaders through the country in regard to the formation of a Communist front, for example, that was called for by the Moscow directives or for another group called for by those directives.

Mr. TAVENNER. The function then played by Intercontinent News, operated by Grace Granich, was indispensable to the operation of the party as it was then organized?

Mr. BUDENZ. Yes, sir; it was an indispensable method of getting directives. Of course, as I say, not only Browder, but Joseph Brodsky, the late Joseph Brodsky, and even Grace Granich herself eventually did say that we had looked upon this probably as a delaying action until other methods of getting directives could be obtained.

But it was a very fruitful method because it came in every day and came in in thousands of words.

Mr. TAVENNER. Now, how was this service paid for?

Mr. BUDENZ. This service was not paid for in the United States. It was paid for in Moscow. The agency responsible for it was the People's Commissariat of Communications. I have not seen the bills, because Grace Granich handled the billing, but on several occasions when we discussed the overwhelming amount of money that was paid by Moscow and the small amount that was paid by the Daily Worker—after this arrangement—it was said that the People's Commissariat of Communications was responsible.

I am, therefore, inclined to say they paid the bills, although they did eventually pay them, but whether they paid them directly or indirectly, would have to be checked up by this committee.

They, however, paid the bills in the sense that they were responsible for them, that their agency paid the bills whenever the Commissariat did not directly do so.

Mr. TAVENNER. In other words, it would be accurate to state that this important function was subsidized from a foreign principal?

Mr. BUDENZ. It was subsidized by the Soviet Government.

Mr. DOYLE. At this point, Mr. Counsel, may I ask what percentage of it was paid by the Soviet Government as compared with the percentage paid by the Daily Worker?

Mr. BUDENZ. Originally, under the Runag arrangement, 100 per cent was paid by Moscow. In the effort to establish this independent agency in a legal sense, the Daily Worker originally paid, I think, \$600 a month, and then reduced it to \$500.

The Freiheit paid several hundred; I should say about \$300 a month. That is all that was paid.

Now, the bill in itself ran into hundreds of thousands of dollars. I cannot give it to you. Some years it was larger, and some years it was smaller. But it was infinitesimal, the amount paid by the Daily Worker and the Freiheit.

MR. TAVENNER. Was that a matter of concern to the leadership of the Communist Party as to what answer might be given if the source of income should be questioned?

MR. BUDENZ. That is correct. That was the reason for all of these discussions which went over a period of several years, and even continued after the Intercontinent News was in existence.

As a matter of fact, not only were these discussions, official discussions from time to time, but very frequently Grace Granich told me of her concern on the matter. And, therefore, the effort to get the appearance of being an independent agency by getting certain individuals to subscribe to Intercontinent News Service was made. She admitted to me she couldn't get enough to make it look very reasonable.

MR. TAVENNER. How often did you have occasion to confer with Grace Granich while the Intercontinent News was being used by the Daily Worker?

MR. BUDENZ. Every week. Now, sometimes these conferences would be on the telephone, but very frequently they were in person. That is, Grace Granich coming over to the Daily Worker to see me on a certain day of the week.

Sometimes because of the pressure of work, or something of that sort, she would call me up and we would have a conversation, or several conversations about the coverage. So that I should say I conferred with her, on an average of, well, there were even conferences in addition to these. I should say that I conferred with her specifically about this coverage in person 3 times a month for several years.

MR. TAVENNER. You have told us in a general way of the importance of this service in making available to the Daily Worker and the Communist Party directives emanating from the Communist International.

MR. BUDENZ. Yes, sir.

MR. TAVENNER. Now, can you be more specific by recalling any particular instances in which directives were received during the period of time that Grace Granich operated the Intercontinent News, and the circumstances which recall them to your mind?

MR. BUDENZ. There are a great number of cases. The difficulty is I have not had an opportunity to check up on the files of the Daily Worker to refresh my memory. But a couple do stand out without having done that.

There is the case of the formation of the American Slav Congress. This was ordered directly by Moscow in the method they use.

That is to say, by popularizing and publicizing the formation of these Slav congresses in Moscow, and the proposal they be formed elsewhere. That was definitely regarded by the ninth floor as a directive by Moscow, and was such. When I say the ninth floor, I mean the political bureau of the party.

I was present at a discussion on the matter in addition to a number of what we might call unofficial discussions. And the American Slav Congress was formed on orders from Moscow received through the directive obtained from the Intercontinent News Service.

Another case is the prewarning which the Communist Party received in May 1941 that there was to be a new line in regard to Hitler. This was a month before Hitler's attack on Stalin.

Of course, we could not tell how drastic the change in the new line was to be, but two communications through Intercontinent News advised us definitely that we should prepare for a change in line. These were expressed in the form of the first criticisms of Hitlerite conquest on any sharp scale coming out of Moscow.

That is to say, they represented the struggles in Yugoslavia and Greece as more or less liberation struggles against Hitler. Previous to that, Moscow's main effort had been to applaud Hitler as a peacemaker whenever they mentioned him. First they did say it was imperialist, but they softened on him and now they sharpened.

One of these communications was considered of greatest importance. So much so that Jack Stachel, who was then under cover, completely under cover, sent word to me through William Z. Foster, who was the political bureau representative to the editorial board, that we had not played this up sufficiently, although we gave it a good place. This was a communication from Moscow for May Day, signed by F. Ring.

Immediately, there was an analysis of it, and Trachtenberg, who had been partly under cover, even came around to the Daily Worker to inform me that this was a very important communication; that it actually came from George Dimitrov, the Secretary of the Communist International.

How did he know that? Because this phrase "F. Ring" was an abbreviation of an address in Berlin which had formerly been used by the Communist International apparatus in Berlin—that is, that section of it in Berlin.

MR. TAVENNER. We have endeavored to find the article to which you referred.

MR. BUDENZ. It was a substitute, if I may state, Mr. Tavenner, for the formal May Day message which we received from the Secretary of the Communist International. It was immediately interpreted that was sent in this fashion to use under the name of F. Ring in order not to prematurely arouse the anger of Hitler.

MR. TAVENNER. But it was the tip-off to the Communist Party of the U. S. A. that there was about to be a drastic change in the party line?

MR. BUDENZ. That is correct. There was to be a change in the party line that there were differences arising between Stalin and Hitler, though, of course, we had no idea of what form it would take.

MR. TAVENNER. But the rank and file of the Communist Party learned nothing about that until virtually the day of the attack of Hitler upon Poland; is that true?

(At this point Representative Francis E. Walter entered the hearing room.)

MR. BUDENZ. Except for the fact that this did indicate, among those that were alert through the party leadership through the country, that there was a change. There was a change in emphasis in both these articles.

But specifically, the importance of this one that I mention, F. Ring, which appears in the Daily Worker of April 27, 1941, the May Day Sunday edition, was that it came from the Communist International,

and was the substitute for the normal Communist International May Day greetings.

And in this Hitler is severely criticized for his attack on Yugoslavia and Greece. There is a greater review which also showed a certain animosity against Hitler which was not evident before.

The week before that, on April 22, there appeared the first warning on this matter, and that was an article which we continued to play up, incidentally, with the same slogan we were using, "Peace, Peace, Peace," which is, of course, the same Soviet slogan today in this period, and saying, "Antiwar resentment rising in Balkan mid-European nations," but when you read it you see it is an attack upon Hitler. It quotes the German Communists as distributing secret pamphlets against Hitler.

This came without a name attached to it at all to the Intercontinental News.

When the communication came from F. Ring, and we recognized it as the substitute for the normal May Day greetings through the Communist Internationale, its importance was, of course, the matter of great discussion, and it was understood there would be a change in line.

As a matter of fact, I know about this very vividly because Jack Stachel, from his hideout, sent instructions that I had not appreciated that sufficiently enough politically and had not played it up in large enough measure. Although I thought I gave it quite a large play. He felt it should go in a huge document right across the full page of the paper, as Communists generally do when they have something that comes officially from the Communist International.

Mr. TAVENNER. There was no effort to pass that information on to any Government agency in the United States, I suppose?

Mr. BUDENZ. Not to my knowledge.

Mr. TAVENNER. Referring back to the American Slav Congress—or the directive to establish American Slav Congresses in the United States, did that turn out to be one of the principal front organizations of the Communist Party?

Mr. BUDENZ. Yes, sir; it proved to be one of the principal and most productive fronts of the Communist Party. It would enable the Communists in these various Slav groups to extend their influence, in the first place, and to divert all the attention that they could toward loyalty to Moscow.

Mr. TAVENNER. This committee made a very full report on the American Slav Congress and associated organizations in 1949. I suppose you are acquainted with that report?

Mr. BUDENZ. Yes, sir. It is a very thorough report.

Mr. TAVENNER. In this report issued by the committee appears the statement:

Although there is no visible record of any Communist-inspired national liberation movement among Slavic nationals of German-occupied territory prior to June 21, 1941, a far-reaching network of organizations was established subsequently for such agitation. On August 10 and 11, 1941, an all-Slav conference was held in Moscow.

And then also contained in this report is the following statement:

The All American-Slav Congress was formed in Detroit on April 25-26, 1942, in response to the appeal of the All-Slav Congress previously held in Moscow.

Mr. BUDENZ. That is correct. It is to that I am directing your attention. That appeal came through these services from Moscow, and also the knowledge of the organization, the fact that the plan was to form the Slav Congresses in various countries.

Mr. WALTER. The American Slav Congress was in existence before that time, was it not, Mr. Budenz?

Mr. BUDENZ. It may have been in existence in a primitive form, or temporary form, but it came into the permanent form in 1942.

Mr. WALTER. And from its inception it was a Communist front?

Mr. BUDENZ. Oh, absolutely; it was always a Communist front. In fact, I know this fellow in connection with it very well indeed, Boleslaw Gebert. He was not only a Communist, but a Communist espionage agent. He had been district organizer in the Communist Party in Chicago for years and assigned to infiltration of the automobile and steel industries in Detroit and now is head of the trade department of the Soviet-controlled World Federation of Trade Unions.

You know that just recently they made a statement in regard to upsetting the economies of the democratic nations, and Gebert has a great deal of responsibility in that respect, because he is the head of what they call their Trade Commission.

That is that commission which has to do with raising the question of wages and hours, and things of that sort.

And then I also know Mr. Leo Krzycki. I have known him for years. He is the president of the American Slav Congress. While he was not a Communist—that is, so far as I know definitely, and I have known him for many years—he did state to me that he had thrown his lot in with Moscow, and that that was where every man would have to turn who really wanted to serve the truth. I have had other discussions along the same line.

Mr. WALTER. Where is he now, Krzycki?

Mr. BUDENZ. I do not know. He formerly was vice president of the Amalgamated Coal Workers.

Mr. WALTER. Is he not connected with some labor movement in the State of Pennsylvania at the present time?

Mr. BUDENZ. That I would not be able to say. There are others whom I know here, too, that are Communists in that picture there. There are quite a few Communists showing their faces, and the whole movement was engineered by the Communists. In fact, so much so, that I think you will find that some non-Communists had to get out finally.

At any rate, the fact is that the whole thing was organized, initiated, and made permanent by the Communists.

Mr. WALTER. Its original officers were fellow travelers, at least, were they not?

Mr. BUDENZ. Fellow travelers, but quite a few were Communists. And the moving spirit behind it all was Gebert. Boleslaw Gebert.

Mr. TAVENNER. Do you know how Gebert left this country?

Mr. BUDENZ. He left it on the commutation ship the *Batory*, the ship that Gerhart Eisler left on, and several other people.

Mr. TAVENNER. Can you recall any instances in which the Communist Party was taken to task by the Communist International through the Intercontinent News for any action it had taken or failed to take?

Mr. BUDENZ. Well, there were such occasions, but I cannot recall them, Mr. Tavenner.

One occasion where we may have been taken to task may have occurred through the Runag News Agency. At least, it was connected with communications of the Runag News Agency. And that was in the case of the beginning of the Communist courtship of John L. Lewis. At that time, a very sharply worded statement was issued under the name of "R" which meant Communist International representative, which criticized the Communist Party and the Daily Worker for too easily establishing friendly relations with John L. Lewis.

Mr. TAVENNER. Mr. Budenz, our investigation revealed that in February of 1943 the Daily Worker, of which you were then the editor, requested Grace Granich to furnish it with the Stalin order. Just what was the Stalin order?

(Representative Harold H. Velde entered the hearing room at this point.)

Mr. BUDENZ. Well, that was actually a public document. It was Stalin's order of the day which, from time to time, he issued to the Red Army. But it was a rule imposed upon us from Moscow that we should not rely upon the capitalist press or press agencies for any official statement of the Communist leadership, and particularly of Stalin. Therefore, our request was to get the full and complete English translation as authorized by Moscow of Stalin's order of the day, which we received. This, by the way, was why they used the procedure to get any report of a leading Communist in Moscow complete, that is, the whole speech, or report, which we would print. And we did not rely on the capitalist news agencies, as we called them, for these reports. We had to get the authorized English translation from Moscow.

Mr. TAVENNER. The authorized English translation was received through the Intercontinent News?

Mr. BUDENZ. Yes, sir. Not only this one, but many other such statements of Communist leaders, such as Molotov and others. Each one of these, of course, again contained a directive, and that is to say, the particular propaganda that would be gotten out, the particular objective that the Communist Party would work for, just as today the Communist Party has a Cominform organ coming in here every week and giving the directives likewise which you will find echoed in Political Affairs, the official organ, and then the same phrases, almost, echoed in the Daily Worker.

Mr. WALTER. How did this Cominform periodical come? How is it delivered?

Mr. BUDENZ. It comes in, as far as I know, just by regular processes, and can be obtained at certain places. It is called, ironically enough, "For a Lasting Peace for a People's Democracy." The other present agency of instructions is the New Times coming direct from Moscow in the form of a supplement to the magazine Trud. It comes in here every week, likewise, the New Times. It is the successor to the War and Working Class and that in turn is the successor to the Communist International Magazine. They had to change these names, as the cases may require.

These two publications, if you read them regularly, you will find the same thing emphasized, not merely in argument, but also in insisting that certain things be done in Political Affairs, which is the successor to *The Communist* here, and then in the *Daily Worker*.

Mr. JACKSON. May I ask a question?

Where does the U. S. S. R. Information Bulletin fit into the Communist propaganda scheme of things?

Mr. BUDENZ. Of the Soviet embassy?

Mr. JACKSON. Yes.

Mr. BUDENZ. It plays its part, too. As a matter of fact, there was a sort of ad interim there or inter-regnum where we were in difficulties.

Finally, because of the pressure of the Department of Justice, the Intercontinent News had to cease existence. That was actually to protect the *Daily Worker*, because if the Intercontinent News was a foreign agent it was certain that further examination, as I have said our discussion showed, would disclose the *Daily Worker* as the beneficiary and ally of a foreign agent, and therefore it would affect the *Daily Worker*. That finally ceased existence, therefore.

There we were in difficulties for awhile having to rely on reading what appeared in the capitalist press in regard to what *Pravda* said in *Izvestia*, and the like.

We established a correspondent in Moscow and arranged for through Moscow, paying him something, but not very much, the supposition being that Moscow would take care of him, but that did not give us this coverage of the world that formerly we had. Because both the *Rumag* and *Intercontinent News* gave us material from China, as I have stated, and from Poland and from Germany and from all other countries; this flowing into Moscow first and then flowing back to us.

Therefore, the Politburo ordered us to make more use of the Information Bulletin of the Soviet Embassy insofar as we could, and that was done for some time, not so much in adhering to it, but using it as a guide to editorials and articles, and the like.

Mr. JACKSON. The Information Bulletin is a propaganda organ of the Communist Party and carries nothing but the Communist Party line?

Mr. BUDENZ. Everything that comes out of Soviet Russia, or has to do with Soviet Russia, is for a political purpose, even where they form some innocent looking organization or promote some innocent looking activity, it is all designed to promote the Communist Party and the Communist causes.

Mr. JACKSON. The reason I brought this up, Mr. Chairman, is because I have had a protest this week from the Los Angeles Board of Education regarding the Information Bulletin, which propaganda medium is being delivered through the United States mails to various universities and schools in southern California. Your statement, Mr. Budenz, should put an end to any academic discussion as to whether the U. S. S. R. Information Bulletin is an objective publication or an organ of Communist propaganda.

Thank you very much.

Mr. TAVENNER. I might add, Mr. Chairman, in that connection that the staff of the committee has been receiving the same kind of complaints for more than a year.

In each instance letters have been written to the superintendents of schools of the States involved, giving them in substance the same kind of information as to where they emanate from.

Mr. WALTER. Does that not indicate to this committee that we ought to pay some attention to the advisability of enacting some kind of legislation to deal with this situation?

Of course, a person can get on very thin ice when you have to regulate the dissemination of information through the mails. But we are not deceived any longer by what this information is.

It certainly is not news. I do not know how the freedom of speech or freedom of the press could possibly be impaired if we attempted to do something about the distribution of this kind of propaganda—and propaganda it is and nothing else.

Would you agree with that, Mr. Budenz?

Mr. BUDENZ. Yes; I do. They are all Communist articles and publications containing directives. That is the way the Communist gets his directives. That is the way you know what to do. And you must be very exact about it at that time. And one of the greatest proofs you could find for this that I have stated, is if any one examines, for example, the organ of the Cominform as the best example and reads it a couple of weeks, in a week or two you will see exactly the same argument, and particularly these are not arguments, these are directives to do things, like the recognition of Red China. I give that example, or something like that. It will appear first in very strong articles or reports in the Cominform organ, and then it will be taken up by Political Affairs, the theoretical organ of the Communist Party, and it will appear then in the Daily Worker, which goes out. When the Daily Worker goes out to every district leader, the first thing he must do is open that Daily Worker and examine what it contains for him that day. And that is done as a method of procedure. It is just like receiving a telegram of directions. He examines it. Of course, he is supposed to have some political maturity, as Communists call it, and is able to discover what is the main point from the editorials and the like. He immediately calls in his staff, and from the Daily Worker's directions of that day he advised them what they should do in the trade unions, in the cultural organizations, in whatever group they are assigned to cover, and to infiltrate.

That goes on every day. That is in my experience. I was out in Chicago for quite a time and saw that done every day in the Chicago district. I know that it is done in all other districts.

Mr. WALTER. You said something about the pressures from the Department of Justice interfering with the Intercontinent News. What were those pressures?

Mr. BUDENZ. Well, the pressure to label the Intercontinent News material propaganda, which was contained in the act, political propaganda, and also the fact that the Department, by this demand for registration and the like, was looking more and more into the Intercontinent News. And, as I have stated to you, both Grace Granich and Earl Browder repeatedly said, and we all recognized that if there were ever a thorough investigation the lopsidedness of the financial standing of the business would certainly show it was a foreign agency, and therefore that would reflect on the Daily Worker. It would be seen to be purely a mechanical set-up which was arranged in order to endeavor to evade the law.

Mr. KEARNEY. Following the thoughts of the gentleman from Pennsylvania, Mr. Walter, as I recollect your testimony this morning it was to the effect that not only to the party but to the Daily Worker everything contained therein was directed from Moscow.

Mr. BUDENZ. That is correct. That is to say—of course, when you come to American measures, they take the directives received from Moscow on the line, and then have to attempt to execute them in the American scene. Not every Communist front is created by Moscow, but the chief ones are, just as I mentioned the American Slav Congress. But also recently we have seen this in the World Congress of the Intellectuals for Peace formed in Moscow. Everyone knew immediately that was going to be followed by these intellectual conferences on peace all over the world. And we had the Waldorf Astoria conference, and the Stockholm Peace Appeal. Things go on in that fashion.

When it comes to the problem of the directives given in regard to this or that specific union, well, that becomes a matter for the American Politburo in the execution of Moscow directives.

Mr. KEARNEY. Knowing what you do about the situation, and knowing just exactly how the Daily Worker runs as to its directives from Moscow as to the party line, do you see any real reason or any reason at all for continuance of that newspaper in this country?

Mr. BUDENZ. I think the Daily Worker should be suppressed; not because it is a newspaper expressing an opinion, but because it is, as I said, a telegraph agency of directives to a conspiracy.

Mr. KEARNEY. In other words, it is an agent of a foreign government?

Mr. BUDENZ. It is more than that; it is an agent of a foreign government giving orders to do things—not merely to think things, but to do things. And that has been very convenient, because it has the coverage of freedom of the press.

I mean to say that is why it has been devised. If, for example, Moscow would wire or cable over here, "The American Communist Party must do so and so," although, if you examine some of the Communist literature, it amounts almost to that—I mean it is that sharp—but if that were the continuous process, and if in turn the Politburo here were to wire through the country orders, well, it would soon be known what sort of a business was afoot. But when it is concealed under a newspaper, which has a very restricted circulation, and with very few people who should be criticizing Communists, then it becomes, of course, a means of covering up the actual character of what is being done.

The Daily Worker is not a newspaper in the normal sense of the word. How can it be? Its circulation was never more than 30,000 a day, perhaps 40,000. It has been as low as 8,000, and yet it goes on just the same as ever. The reason is, it is not a newspaper; it is a telegraph agency of instructions.

Mr. WALTER. How is its publication financed?

Mr. BUDENZ. Its publication is financed by drives, financial drives made by the Communist Party, largely raised in the vicinity of New York City, although the rest of the country makes some contribution to it. That covers the deficits.

Mr. WALTER. Are there any large contributors?

Mr. BUDENZ. There are large contributors, but they are concealed. Now, in addition to that—

Mr. WALTER. Do you know who, Mr. Budenz?

Mr. BUDENZ. I couldn't give you a list today, but I could with a little recollection.

Mr. WALTER. I think it would be very helpful if you would furnish us, or furnish this committee with a list of the people who have made significant contributions to the maintenance of that propaganda sheet.

Mr. BUDENZ. Yes, sir; I would be glad to do that.

I would have to have a little time in a responsible manner to check my memory.

Mr. WALTER. Yes.

Mr. BUDENZ. I know that sometimes when we were in difficulties, urgent difficulties, we went to A. A. Heller to get \$10,000 or \$15,000 or \$20,000. Mr. Heller was in the business of dealing with Russia. That is, he was an importer and exporter. We also——

Mr. WALTER. Where is he located?

Mr. BUDENZ. Well, he is located in New York City. We also went in emergencies to the International Workers' Order. As a matter of fact, the various trade unions controlled by the Communist Party had made loans in cash.

The Daily Worker did one of the biggest cash businesses in the world. While the amounts were not so great, I don't want to give that conception, the fact that they were in cash was the consideration.

What happened was whenever it was necessary between these drives to get some money, money was borrowed in cash from the trade unions or the International Workers' Order, or other groups like that, and then was returned in cash.

In order to provide for that, there was a special account called "William Browder Business Manager" while I was there. He had the right under the motion of the board of directors of the Daily Worker to cash these checks and pay them out in cash.

Now, however, I would like to add this one final thing on this question of finances, just in my present memory: that is, from time to time, however, in this New York drive, there is not any doubt that money came from the conspiratorial fund of the party.

Mr. WALTER. Where was that sum deposited?

Mr. BUDENZ. That fund, I don't know where it was deposited, that fund was under the control of Robert William Weiner, aided by Lemuel Upham Harris, and then a third person who varied in personnel, that is, Charles Krumbein was that man, but he is dead now. I don't know whether Weiner and Harris are now in control. This was while I was in the party.

Now, the reason that I know that is once in a while is these drives—on one occasion in particular, I think it was around 1943 or 1944—we had great difficulty in getting hold of about \$50,000. Weiner had it and he didn't know how to get it over to us and distributed it sufficiently through the sections to make it look as though it were a section collection. For some time we were in the embarrassing position of needing money and not being able to get our hands on this money. Finally, an arrangement was made whereby it came through.

But the difficulty there was we did not want any big lump sum like that coming in. So it had to be distributed through the sections as though it were collections made by the sections.

Mr. WALTER. Did you have reasons to believe that those large sums were advanced by Russia to these individuals?

Mr. BUDENZ. I have no proof of it specifically, but I have reason to believe so, because on several occasions, and notably once, when we needed money for the *Midwest Daily Record*, which was a Communist controlled paper that I was editor of in Chicago for a while, I came in here with Morris Childs to see Weiner about it. He said that it was very difficult to give us very much money at that moment. And then Childs said to him, "What about money from abroad?"

He said, "Well, we have been getting it, but our channels of communication in regard to money have broken down recently and have to be reestablished."

It was very clear they were discussing Moscow. That also occurred on one or two other occasions that I remember specifically. And I even remember the restaurant on University Place in New York where the conversation took place.

Mr. WALTER. I think these people whose names have been mentioned in connection with the providing of funds ought to be subpoenaed to testify in connection with this particular phase of our hearings.

Mr. VELDE. I would like to ask Mr. Budenz about the Lem Harris you mentioned.

Mr. BUDENZ. Yes.

Mr. VELDE. Would you identify him further for the committee? I think we had him before this committee.

Mr. TAVENNER. That is right.

Mr. BUDENZ. Lem Harris is someone whom I know rather well—in fact, quite well. He is connected with a well-known family in New York, which is no reflection on the family. And, as a matter of fact, he told me that he gets a certain amount of allotment every month, maybe out of an estate, from his family, and that is the means by which he devotes his full energies to the Communist Party.

Mr. VELDE. You say he is a contributor or was a contributor to the *Daily Worker*?

Mr. BUDENZ. No. I say he was the assistant to Weiner on the secret fund that I now call the conspiratorial fund, because that is what it was. That is a fund of money handed out in cash.

For example, suppose a comrade wished to go to Latin America on a false passport. That cannot be entered on the records of the Communist Party. He was given cash for the trip. This also applied, incidentally, to extra help for Communists. That is, if a Communist needed a vacation, a leading Communist needed a vacation, well, he got cash from Weiner, or for those emergencies.

In addition to that, the fund was used for many other purposes. But it must be understood that Weiner—though I understand he is somewhat ill now—that Weiner at the time I was there was in complete control of all finances of the Communist Party. The *Daily Worker* finances, the International Publisher finances, every bit of the finances of the Communist Party, including those of the Communist Party itself were under the control of Weiner and this committee.

The chief acting member of that committee was Lem U. Harris. And I have discussed with him many times the work he was doing, although, of course, it was confidential work.

Mr. VELDE. Would it not be fair to assume, if he was on this committee, that he probably did contribute some of his own money, or money that he got from his estate or relatives?

Mr. BUDENZ. That would be very possible. I might state this, though, if I might, to show the extent of this financial control, centralized financial control: That also Harris was engaged in aiding the financing of the Joint Anti-Fascist Refugee Committee. That whole financing was subject to Weiner's and Harris' scrutiny, and Harris was engaged in assisting in bringing to this country a number of leading Communists, including Gerhart Eisler. In other words, the work of this financial committee was very extensive.

Mr. VELDE. Your mention of Gerhart Eisler brings to my mind the name of Louise Bransten. Do you happen to know her?

Mr. BUDENZ. Yes, sir.

Mr. VELDE. Do you know whether she has contributed any money to the New York "Conspiratorial Fund," as you called it?

Mr. BUDENZ. Yes, sir; she has.

Mr. VELDE. I know that in 1943 or 1944 she was quite a heavy contributor to the People's World out on the west coast.

Mr. BUDENZ. She has contributed to Weiner's fund I know.

Mr. TAVENNER. I might say, Mr. Chairman, that Mr. Harris refused to answer questions relating to his own contributions to various front organizations, and to the Communist Party on the ground that to do so might tend to incriminate him when he appeared before this committee.

With reference to this question of contributions, Mr. Budenz, testimony only recently introduced in our investigation of communism in Hollywood showed the contribution of tremendous sums of money to the Communist Party.

Do you have any knowledge of participation by the Daily Worker in the contributions made from that source?

Mr. BUDENZ. Yes, in this way: Originally these funds were handled very haphazardly. I mean to say, a great deal of them went to the California district. But, finally,—I cannot place the year right now, but it was in the latter thirties or early forties—V. J. Jerome made a trip out to Hollywood for the Cultural Commission and the Political Bureau of the Communist Party, and there he placed in a more orderly fashion this whole business of financing.

It was then organized so that the finances went into New York first and then were distributed to the party through the country. These finances in Hollywood reached a very high figure. You understand that every Communist is supposed to give 10 percent of his income to the party. That varied, from time to time, but that was the general idea.

Mr. KEARNEY. Pardon me for interrupting, but does that go down even to the working man, or the laborer member of the party?

Mr. BUDENZ. Well, I was about to state there were variations from time to time. For example, housewives of the working class had to pay 10 cents a month.

Mr. KEARNEY. The reason I asked that was—

Mr. BUDENZ. There were other variations from time to time, a dollar a month, those were changed from time to time. But the big source of funds for the party did not come from these people.

Mr. KEARNEY. The reason I asked you that question is we have had testimony here, I believe, of somebody who said that they paid 25 cents a month.

Mr. BUDENZ. That is possible, it could have been. But when it gets to people earning, let us say, \$50 and \$60 a week and up or certainly, we will say, \$100 a week, the expectation was 10 percent of their income.

I have sat in committees, on the State Committee of New York, where these assessments were levied, and the approximate income of the individual was examined.

Mr. DOYLE. You mentioned that the Hollywood sum was very substantial. Do you now recall whether you ever saw any figure that represented the total contributions during a given period from Hollywood?

Mr. BUDENZ. No, sir. There are no genuine financial figures ever given by the Communist Party. The only way you get to know that, even as a leading official of the party, is by discussions in the Politburo. Never was the national committee ever given a true financial picture of the Communist Party. I haven't time to go into that in detail now without more information at my disposal than I could bring out of my memory, but the fact of the matter is that the reports of the national committee were not true pictures of the financial condition of the Communist Party.

First of all, this whole fund that Weiner controlled was not at all visible. And then many other sources of income were not visible. That was the reason why the Politburo had this highly centralized financial control in the hands of Weiner and his committee. Which I say was composed of Lem Harris and Charles Krumbein while I was in the Communist Party, the latter part of the time that I was in the Communist Party.

Mr. DOYLE. Would you say that generally speaking the financial condition of the party was good? I mean, was it a strong financial position or were they poor part of the time?

Mr. BUDENZ. I should say both. They were rich compared to the number of members they had, and also able to draw on resources more than would be expected. They were poor in the sense that they did, in many instances, maintain functionaries at, I should say, a reasonable remuneration, to say the least. But this was partly false also, because it was accompanied by additional gifts from the Weiner fund and by other remunerative efforts. Therefore, the party always has had enough money to get defense funds, to carry on its work, and at the same time, it keeps the appearance of poverty, enough so that it can constantly make appeals. This is true, as I learned from discussions with Weiner, that Moscow insists that its fifth columns stay on a semi-self-supporting basis. They don't want any one taking advantage of the fact that there is some money coming in here. They don't want that to become a disease, in other words. Consequently, they stimulate the Communist Parties everywhere to raise their own funds as much as possible.

Mr. DOYLE. I take it, then, that the Weiner fund was not banked, that is, it was handled in cash. They did not issue checks against it or have any bank record of it, as far as you know?

Mr. BUDENZ. Not to my knowledge. Of course, there were special funds. Weiner did have a large bank account at one time, and so did

William Browder, but I don't think that this comprised the Weiner fund.

Mr. TAVENNER. Golos also had an account, did he not?

Mr. BUDENZ. Yes, Golos had a special account. He had a special account, and of course that is where I spoke about the other sources, which are quite numerous, more or less.

Let us take people working for the Soviet Secret Police here, the MVD. I have seen the MVD hand out \$300, \$500, to agents, not so much for remuneration, as to get them properly clothed, or to get them certain expenses for trips, which would have to be taken in connection with the work.

But there are many sources of private—if I may use that word, private, in connection with the Communist Party—private money transfers that take place within the Communist Party.

Mr. TAVENNER. Mr. Budenz, you have described very graphically the part that is played by news services and by Communist organs, in publicity in promoting and disseminating the Communist directives. It was partly our interest in that subject which led to our investigation in China of the Voice of China, the magazine headed by Max Granich and Grace Granich.

The testimony has shown here that the possibility of successful financial operation of that publication was almost out of the question, that they were disseminating that paper through many areas, the South Sea islands, remote sections—not remote sections, but distant sections of China—even as far as Hong Kong and Canton, and they were sending that publication to areas in the United States where young Chinese students would be able to read these papers.

You have told us that Grace Garnich, prior to leaving on her trip abroad, told you that she was going on a mission for the Communist Party. Can you tell the committee what the possibilities are in the handling of a magazine such as the Voice of China was, in carrying out this same general plan with regard to dissemination of Communist information and directives?

Mr. BUDENZ. Well, the Voice of China was clearly a publication to gather together in the English speaking colony of China, and among the English speaking people of China, friends for the Communist cause. It was to perform a function somewhat like the Amerasia magazine established here later on. And then, as far as possible, likewise, to give directives to the English speaking Communists in China. In other words, it was a Communist publication for the purpose of throwing around the English speaking Communists in China as much strength and influence and thereby, of course, play a part in the Chinese scene, insofar as was possible, and also, of course, in the international scene insofar as that was possible.

Mr. WALTER. It was just propaganda, that is all?

Mr. BUDENZ. Propaganda, and in a few cases, there were directives in it. Its effort was, of course, to draw also certain non-Communists toward the Communists in China, English non-Communists, or English speaking non-Communists.

Mr. JACKSON. Was any liaison maintained, to the best of your knowledge, between the Voice of China and any Communist publications in this country?

(Representative Bernard W. Kearney left the hearing room at this point.)

Mr. BUDENZ. That, I don't know.

Mr. VELDE. Mr. Budenz, what is the source of your information in calling the Voice of China a Communist propaganda organ?

Mr. BUDENZ. First of all, the fact that Grace Granich stated she was leaving for abroad on a mission for the Communist Party; and, second, reference is made to Granich himself, upon his return to the Politburo, of the services performed to the Communist cause in China through the Voice of China.

Mr. VELDE. Where did those conversations and references take place?

Mr. BUDENZ. They took place in the headquarters of the Communist Party in New York, at the Politburo meetings around 1940 or 1941 in regard to the assignment of work of Max Granich, who was considered to be a very valuable man in certain operations.

In that connection, it was definitely stated that he had performed a service for the Communist cause in China with the publication.

Mr. VELDE. Do you remember by whom it was stated?

Mr. BUDENZ. By Earl Browder, for one, and Earl Browder generally was the man who made the report on questions connected with China. And by Jack Stachel, and several others.

Mr. VELDE. I want to call another name to your attention, Isaac Folkoff, Pop Folkoff. Do you happen to know him?

Mr. BUDENZ. Who is this?

Mr. VELDE. Isaac Folkoff. They all call him Pop Folkoff. He had a similar position to Mr. Weiner out on the west coast, handling the funds for the party.

Mr. BUDENZ. Offhand, I do not recognize him; no.

I might by some thought on the matter. Just for the moment, I don't.

Mr. TAVENNER. Do you recall that the Attorney General's office finally required Grace Granich to label the material which she was bringing into the country through her foreign principal as propaganda?

Mr. BUDENZ. That is what was the straw that broke the camel's back. That is what she couldn't do. They did insist upon that.

Mr. TAVENNER. After insisting upon that, do you know whether or not Grace Granich discontinued the service?

Mr. BUDENZ. She discontinued it; yes, sir.

Mr. TAVENNER. I desire to offer in evidence a letter, or a copy of a letter, written by Grace Granich to the Attorney General, bearing the date of June 23, 1944, and ask that that be marked "Budenz Exhibit No. 9."

Mr. DOYLE. That may be filed.

(The letter above referred to, marked "Budenz Exhibit No. 9," is filed herewith.)

Mr. TAVENNER. I will read it. However, before reading that letter, I desire to introduce in evidence another letter from the Attorney General's office to Miss Grace Granich bearing date of December 12, 1942, and ask that be marked "Exhibit No. 10."

Mr. DOYLE. That will be so marked and filed.

Mr. TAVENNER. I will read Budenz exhibit No. 10 first.

This is a letter from Mr. Lawrence M. C. Smith, chief, Special War Policies Unit, War Division, to Miss Grace Granich, Inter Continent News:

DEAR MISS GRANICH: This is to supplement my letter of November 28, 1942. Inasmuch as you were subject to registration under the Act on the effective date thereof, namely, June 28, 1942, I believe it would be appropriate if you would submit, insofar as possible, copies of all the bulletins issued from June 28, 1942, to October 1, so that our files in this matter will be complete. You will recall that you sent us copies of each of the bulletins issued during the month of October, and since that time you have been sending us the daily bulletins regularly. I assume you will commence labeling the material as suggested in my previous letter promptly and will arrange to effect prompt compliance with the other requirements outlined.

Now, I will read exhibit No. 9, which is a letter by Grace Granich to the Attorney General bearing date of June 24, 1944:

DEAR SIR: Please be advised that as of June 17, 1943—

Mr. Chairman, I think this is misprint, the 1943, in composing the letter, because the correspondence would rather indicate that 1944 was meant—

my status as agent of a foreign principal under which I registered with your Department under the Foreign Agents Registration Act of 1938, and the rules and regulations thereunder, has ended. And I wish to terminate this registration. This change in status is due to the fact that my former principal, the Universal Press Service, SUPPRESS, Moscow, U. S. S. R., has terminated its business as of the above-mentioned date. If there are any new forms which the law requires must be filled out in connection with the termination of registration, or if there is any further information which I am able to supply you, please advise me.

Yours very truly,

(The letter above referred to, marked "Budenz Exhibit No. 10," is filed herewith.)

Mr. TAVENNER. What action, if any, was taken by the Communist Party with regard to the sending of that notice of termination? I mean by that, was it the result, as stated in that letter, of the principal ceasing to do business, or was it because of the difficulties that the Intercontinent News had in complying with the registration provisions as enforced by the Department of Justice?

Mr. BUDENZ. It was the latter.

The Intercontinent News was the subject of many discussions in the Politburo and, as I said before, also unofficial discussions. And it was agreed that it would be impossible to continue it under the conditions laid down by the Department of Justice.

This was not only in regard to the demand that it be labeled propaganda, but in addition to that, that if beyond that the Department of Justice would begin to examine its financial structure, it could not stand up. Therefore, it was decided that it would be discontinued.

I had quite a conference with Grace Granich as this decision was taken, in addition to the other conferences, and we explored whether this action, which had already been decided upon, could have been anything else, and we agreed that it could not have been.

It was then that she repeated Browder's phrase that this, after all, had been a delaying action, to some degree, and that we would have to look around rapidly for other sources of receiving the material.

Mr. TAVENNER. And you have already described those other sources in your answer to questions by members of the committee?

Mr. BUDENZ. That is correct.

Mr. TAVENNER. Did you have any other contact with Max Granich or Grace Granich which you have not told the committee?

Mr. BUDENZ. Well, I have had other contacts with them, but they don't come readily to my mind. They weren't of such sharp importance that I would recall them offhand.

These are the important relationships that I had.

I have met Max Granich, for example, more than I have stated here, but I don't recall all the circumstances connected with it. He was a brother of Mike Gold and was up at the Daily Worker every once in a while, not only for the purpose of business, but also to see his brother occasionally. Therefore, I have met him quite frequently, more than would be indicated by this testimony.

However, nothing standing out as of particular striking importance.

Mr. TAVENNER. I have no further questions, Mr. Chairman.

Mr. DOYLE. Mr. Walter?

Mr. WALTER. No questions.

Mr. DOYLE. Mr. Jackson?

Mr. JACKSON. I have several questions, Mr. Chairman.

If I may depart from this particular phase of the inquiry, I have some corollary questions which deal with another aspect of the committee hearings, and not knowing when we will have the pleasure of having Mr. Budenz here again, I would like to ask him at this time.

During the course of the hearings in the Senate Subcommittee on Internal Security, hearings dealing with the Institute of Pacific Relations, I believe you were a witness?

Mr. BUDENZ. Yes, sir.

Mr. JACKSON. I would like to direct your attention to page 582 of the published hearings, when the matter of Col. Evans F. Carlson's book, *The Big Yankee* was under discussion. There was a quotation given from that book, and you were asked as to whether or not, in your opinion, this quotation represented Communist propaganda. Your answer to that, as quoted in the record was:

Yes, I also would recognize the author of General Carlson's biography as a Communist—Michael Blankfort. He is well known to myself as a Communist. He had many consultations with me as such.

Inasmuch as Michael Blankfort's name has occurred before in connection with the committee's hearings in the Hollywood matter, I should like to ask several questions about this particular individual.

When did you first meet Mr. Michael Blankfort?

Mr. BUDENZ. In 1935 at the Daily Worker.

Mr. JACKSON. Do you recall the occasion of the meeting, or what brought it about, or in what connection you met him?

Mr. BUDENZ. Yes. He was then writing for the Daily Worker. That is, I wouldn't say he was a regular member of the staff, although in a way he was. He wrote reviews, and other articles, for the Daily Worker.

Mr. JACKSON. Over how long a period of time did your association with Mr. Michael Blankfort continue?

Mr. BUDENZ. Well, it continued, I cannot tell you the exact year at the moment, but until he went out to Hollywood.

In the first place, when he came to me and had a 3-hour conference with me in regard to how to penetrate the ranks of the Catholics on

the west coast, he told me he had received instructions from the Politburo to endeavor to look into that while he was on the west coast. He was driving through, by the way, and came to see me before he left.

MR. JACKSON. You say "efforts to penetrate the Catholics." Do you mean on behalf of and for the Communist Party?

MR. BUDENZ. That is correct.

MR. JACKSON. Did you know Mr. Michael Blankfort—and I say "Michael Blankfort" because there is also a Henry Blankfort who testified or refused to testify before the committee during the course of the Hollywood hearings—did you know Mr. Michael Blankfort to be a member of the Communist Party?

MR. BUDENZ. Yes, sir. He came to me as such.

MR. JACKSON. And the consultations that you had with Mr. Blankfort took place in the offices of the Daily Worker?

MR. BUDENZ. Yes, sir.

MR. JACKSON. Did you ever see Mr. Michael Blankfort in a Communist Party meeting or Communist Party function where those present would have to be presumed to be Communists?

MR. BUDENZ. Oh, yes. I have seen him, not in a branch meeting or anything of that sort, but I have seen him in the Daily Worker.

MR. JACKSON. Was Mr. Michael Blankfort an open member of the party, or was he a concealed member?

MR. BUDENZ. Well, I should say he was a concealed member, although he did not conceal it very much while he was around the party.

MR. JACKSON. He did not conceal it to you?

MR. BUDENZ. No; he did not.

MR. JACKSON. What was Mr. Michael Blankfort's profession, do you know?

MR. BUDENZ. Well, he was a writer. He wrote for the Daily Worker at that time, and was going to Hollywood also to get in some writing.

MR. JACKSON. When did you last see Mr. Blankfort?

MR. BUDENZ. That is the last time I saw him, when he went out to Hollywood.

MR. JACKSON. Do you know where he was going in Hollywood, or what employment he was going to undertake in Hollywood?

MR. BUDENZ. He discussed it with me at that time, but I do not recall for the moment.

MR. JACKSON. Was it connected with the moving-picture industry?

MR. BUDENZ. Yes, sir; in my remembrance it was.

MR. JACKSON. Do you have any subsequent information as to Michael Blankfort's activities?

MR. BUDENZ. Not from him as such. That is, I haven't met him personally as such since he went to the west coast.

But I have had unofficial, or rather, official, references to him as a Communist in connection with the Hollywood scene on several occasions.

MR. JACKSON. Were his activities the subsequent subject of discussion among Communists on the Daily Worker, or was there any mention made of the work he was doing?

MR. BUDENZ. It was made in regard to Cultural Commission meetings, and also once or twice in the Political Bureau.

MR. JACKSON. Do you know where Mr. Blankfort is presently employed, Mr. Budenz?

Mr. BUDENZ. I do not, no.

Mr. JACKSON. I have no further questions, Mr. Chairman.

Mr. DOYLE. Mr. Budenz, I presume you are acquainted with the Institute of Pacific Relations on the west coast, are you?

Mr. BUDENZ. The Institute of Pacific Relations on the west coast?

Mr. DOYLE. Yes.

Mr. BUDENZ. Do you mean its branch out there?

Mr. DOYLE. Yes.

Mr. BUDENZ. I know of it, yes.

Mr. DOYLE. And do you know of any of the writers for that organization who are not Communists?

I will put the question the other way.

Mr. BUDENZ. Well, I would have to check up on that, Mr. Chairman. I know Mr. Benjamin Kizer, but not personally, and know that he was several times mentioned as a Communist.

Mr. DOYLE. Do you know of any others that are?

Mr. BUDENZ. Not offhand, although I would have to check on that, because I am not certain at the moment, since I haven't the list before me, and haven't been thinking about the question.

Mr. DOYLE. Could you check on that and give our counsel the answer to the question as best you may?

Mr. BUDENZ. Oh, yes. I will be glad to oblige.

Mr. TAVENNER. Will you spell Benjamin Kizer?

Mr. BUDENZ. K-i-z-e-r. He is a well known and I think a rather distinguished lawyer in the State of Washington.

Mr. DOYLE. I know you are probably familiar, Mr. Budenz, with our Public Law 601 under which this committee operates, and our assignment by Congress as to what we shall look into.

For instance, I refer you to the section of the statute under which we operate which charges us with investigating subversive conduct, the extent and character and objects of un-American propaganda in the United States, whether it originates in the United States or from outside, and then we are also charged with looking into any questions that would enable us to recommend to the United States Congress remedial legislation.

Now, it is in that particular field that I hope you can help us by giving any recommendations or suggestions you have as to what you have in mind, if anything, with reference to remedial legislation.

You have testified now at length here. You have been very helpful as to the conditions that you have personal knowledge of.

You know what the present law is. Have you any suggestions to us as a committee of the Congress in the field of legislation?

Mr. BUDENZ. It would be presumptuous on my part to try to draw up a legislative program. But I do think consideration should be given to whether the present Foreign Agents' Act is adequate to cover the situation.

I am not passing judgment on it, but it does seem to me that the method to outlaw the Communist Party and to get rid of its chief dangerous activity is by branding it thoroughly and legally as a foreign agent, which it is.

This stands out in so many different phases of the Communist Party, that it is quite obvious. That is one thing I would like to leave for your consideration.

Now, as to the details of that, I am not prepared to make any recommendation today.

Mr. DOYLE. Are you prepared to make a recommendation as to any portion of any important details that you may have in mind?

Mr. BUDENZ. No; I have not. I didn't have that on my mind today. And I do think, however, that the quicker that we can find some means through the Foreign Agents' Act to deal with the Communist Party so as to outlaw it and the Daily Worker as foreign agents, that that is a very important measure for the present moment.

It would also have another effect, it would clearly make it evident that it is the Communists—or the objective of their efforts is a Communist conspiracy, so that they cannot confuse the issue as they constantly do, by saying that every move against the Communist Party is going to injure all Americans. It has not, as a matter of fact, but that is a good deal of their contention.

Mr. DOYLE. Why do you call it a Communist conspiracy?

Do they not deal in the open and aboveboard, or do they really conceal their activities?

The reason I ask you the question in that form is that a witness before this committee just within the last few days said that he would not call it a conspiracy because they dealt in the open. They were not ashamed of what they are doing, nor were they trying to hide what they were doing.

Your testimony today is just completely the reverse.

Mr. BUDENZ. Well, of course, that would take some time to go into in detail. But the Communist conspiracy is a conspiracy. The Communist Party is not in the open. It is in the open in the sense that it is endeavoring to function legally in order that its subterranean activities may be strong.

I think J. Peters indicated this very well when he said to me, "Do you know the Communist Party?"

I said, "Yes, I think I do."

He said, "No; you don't."

That is when I first joined the party.

He said, "You know that part of the party which appears above the surface. The Communist Party is like a submerged submarine. The periscope is the open party looking around, and the submerged part is 95 percent of the party which is underground," and that is true.

Let us take all of the Communist-front members mentioned in this committee's very fine report of April 1, 1951. Well, a great number of them are Communists. The fact that they have been members of 50, 60, and 80 Communist fronts is an indication of their loyalties, without charging them with being such specifically, and yet these people will even get on the witness stand, or in any other place, and deny their Communist allegiance.

The Communist Party is exclusively an espionage and infiltration agency to destroy the United States Government.

For example, we do know now, and this committee is conscious of it, of the considerable amount of espionage carried on, and that is certainly a great service to expose that. And the infiltration, in many ways, is even more deadly, because it is a means of penetrating the sources of opinion, and the like, which influence others, and all of this is done by way of concealment.

Mr. DOYLE. How would the Communist conspiracy undertake to destroy the United States Government, as you just said? What do you mean by that phrase? How would the Communist conspiracy undertake to destroy the United States Government?

Mr. BUDENZ. It is attempting to do it right now with these Communist "peace crusades," as this committee has said, "to disarm and defeat America." That is the immediate purpose of these various peace crusades. And then, of course, by having people, wherever possible, infiltrate into government, and infiltrate into other agencies and affect American actions and public opinion.

Beyond that, then, of course, we have the existence of the Soviet Union today, which the Communists declare to be the citadel of peace, but which certainly is engaged in aggression.

Its policy clearly is to carry this periphery warfare under Stalin's dictum.

In our day, wars are not declared, they are made.

And in 1945 I stated, when I left the Communist Party, that there was about to be across the world a creeping blitzkrieg, as I called it, designed to conquer the continents of Asia and Europe and hurl them into the United States. And that is Stalin's design. The Cominform itself, in its organ, hailed Stalin as a leader and teacher of the working people of the world, and constantly has kept alive that idea of a world octopus. In order to do that by infiltration on the one hand, espionage accompanying it, and on the other hand the outward pressure of this periphery warfare, the effort is to destroy the United States to bring about the Soviet dictatorship to which all Communists are committed.

Mr. DOYLE. Is the objective and determination of the Communist Party directed from Moscow to arrive at the point, if needs be, of using forced arms and ammunition in revolution?

Mr. BUDENZ. Yes. They have set that all down in the program of the Communist International adopted at the Sixth World Congress in 1948, and reaffirmed at the Seventh World Congress in 1949. And then, of course, it is the basic conception of the Communists as set down by Lenin in *State and Revolution*, that all non-Soviet states shall be smashed by violence—I mean their government—and Stalin has repeated this in *The Foundations of Leninism*, that all non-Soviet states shall be smashed by violence.

In order that there be some understanding on that, both of them asked the question: Does this apply to the United States and Great Britain? And they replied in the affirmative, that it does apply to the United States.

Mr. DOYLE. Was that in print, their reply?

Mr. BUDENZ. That is in *State and Revolution* by V. I. Lenin, and *The Foundations of Leninism* by Joseph V. Stalin. Both of these have been published by the Communist Party in hundreds of thousands of copies.

That is, particularly, they have been issued in popular form in the Little Lenin Library edition which is still possible to obtain.

Mr. DOYLE. Thank you. Do you have any other questions, Mr. Walter?

Mr. WALTER. No.

Mr. DOYLE. Mr. Jackson?

Mr. JACKSON. Just one more brief question.

You said, Mr. Budenz, that 5 percent of the Communist Party is aboveground like the periscope of a submarine, and that 95 percent of the conspiracy is underground. Would it be factual to say that the party is so well compartmented that 90 percent of those who are underground still know nothing about what the 5 percent who are actually doing the ground work and the active espionage work—

Mr. BUDENZ. Oh, no. Excuse me. May I interrupt you?

Mr. JACKSON. Yes, of course.

Mr. BUDENZ. These people that are underground are really activists in many ways. I mean, you have two undergrounds. One is the underground of the Communist agents, illegal aliens, Gerhart Eisler, J. Peters, and others, and who are the real channels that communicate with Moscow and the real rulers of the party.

And Alexander Bittelman, who is the chief theoretician of the party, a Soviet subject, and who never has become a citizen.

Then you have the other underground, if I may call it such, those men and women who pose as non-Communists but who are actually Communists. A man like Harry Bridges, for example, we could mention today very definitely, whom I knew as a member of the national committee of the Communist Party. He posed for many years as a non-Communist rather successfully.

Those two are very active groups. The open party is necessary in order to keep these groups in touch with each other, and in order to give the appearance of an open political legal party to the whole operation.

Mr. JACKSON. The point that I made was: Of this estimated 95 percent who are in the underground, how many knew, for instance, that Alger Hiss was a courier?

Mr. BUDENZ. Oh, well, I should say very few knew it within the open party or the underground.

Mr. JACKSON. That was the point I intended to make. There is still a select channel, is there not, that is even unknown to most of the people in the underground? What is the membership figure today of the Communist Party in the United States?

Mr. BUDENZ. We cannot go by those figures. Those figures are those given out by the party at national conventions, and they also tend to play down their numbers. But we will say 55,000 to 70,000. But around them are gathered, I should say, several hundred thousand Communists under discipline who are members of the party just the same as I was.

Mr. WALTER. And many of these people do not realize that they are aiding and abetting in the forwarding of this conspiracy, do they?

Mr. BUDENZ. They couldn't realize the full vividness of it, although they do have warning and notice, because the Communist instruction down in the branches, is along the lines of Marxism and Leninism. That is, along the lines of such works as I have talked to you about, which give the Communist a grounding in what his purpose is.

Mr. WALTER. No, Mr. Budenz, you did not understand me. I probably did not make myself clear. But you talked about this large number of people who were members of numerous Communist-front organizations.

Mr. BUDENZ. Yes.

Mr. WALTER. Many of those people do not realize that they are aiding and abetting in the furtherance of this conspiracy because they believe that they are doing something in furtherance of the betterment of their fellow man and are dupes. So that that would increase that 200,000 immeasurably.

Mr. BUDENZ. Yes. There are quite a few that are dupes. Also there are quite a few consciously aware. After all, these are intelligent people. That is, they have obtained positions in universities and scientific positions, and are intelligent people. And they certainly are aware today that there is some foundation for some of the disclosures that have been made.

Mr. WALTER. But the point I am trying to make is just this; Mr. Jackson and I have talked about this. While the number looks small, 50,000 to 70,000, nevertheless there are literally hundreds of thousands of people who are so closely connected with the conspiracy that to all intents and purposes they are aiding and abetting in the furtherance of the conspiracy.

Mr. BUDENZ. Well, this can be said: I think that is roughly correct, but this can be said: that the Communist measures his strength not in his own numbers. They don't want large numbers, because they are the vanguard of the masses. That is their phrase for themselves all the time. They want disciplined members who will penetrate key positions. So that one Communist—so often we were reminded of this—must be able to move thousands of non-Communists into action. An excellent example of this is the United Electrical Radio and Machine Workers Union, where you have a leadership which is overwhelmingly Communist, and a rank and file which is overwhelmingly non-Communist. Yet they have moved them into action in the resolutions at their conventions in accord with the line of the party.

Now, that is the Communist technique of penetrating into leading positions and then moving thousands, literally thousands of non-Communists who have no idea of forwarding the Communist Party line, but who are doing it in the name of other things.

This is just as Lenin brought forward the cry "Bread and Peace!" and "Land to the Peasants!" and gave them something which took their land away.

So these immediate cries of "Peace, everybody wants peace!" and these pacts of peace, that naturally moves a great number of people who have not analyzed it, and do not see that in the pacts of peace they are smuggling in recognition of Red China and many other things directly opposed to the interests of the United States. That is the common method of procedure.

The Communist, where he is, forms a cell around him, and then moves thousands of others by the argument of a line, not of communism, but the argument of the line into that position which will help the line go forward.

Mr. JACKSON. I should like to refer back to my last question. I am afraid I did not make my point quite clear.

The testimony of Mary Stalcup Markward painted a very vivid picture of the compartmentation of the party, a compartmentation perfected to the extent that the average member of the Communist Party, we will say, in District 4, the District of Columbia and Maryland, even though underground, still had no knowledge of this elite corps which was operating the Washington-New York courier service.

MR. BUDENZ. Oh, they had no knowledge of what they are called.

MR. JACKSON. That is the point I wanted to make. Although 95 percent of the party may be underground, there are activities of 1 or 2 percent which will never be known in the normal course of events to that membership of the Communist Party.

MR. BUDENZ. Right. They wouldn't discuss this thing openly.

MR. JACKSON. That is the point.

MR. BUDENZ. As a matter of fact, I sat in branch meetings where someone I believed to be a courier was sitting and everybody else in the branch were noncouriers though that courier was sitting there the same as another branch member, although engaged in courier work. Frequently, the directors or couriers were drawn out of the party completely.

It is true that—I won't give percentages—but a considerable section of the Communist Party membership is not aware of the details of this work. However, this must be said: That they are all given this Communist literature, and of course it is phrased in the Marxist-Leninist language, and therefore presented what they call a scientific basis, and what you might call the philosophy that the victory of socialism is inevitable, and that the Soviet Union is presented in its brightest colors, necessarily. That offsets a great deal of this, but at the same time the normal Communist is instructed in two things: One, into some knowledge of the Marxist-Leninist classics as to what the objective of the party is, and, two, in the necessity of—while it is not put in that form, that is what it amounts to—following orders under the discipline of the party.

MR. JACKSON. In other words, they know what is being done, they approve of it, without necessarily being privy to it?

MR. BUDENZ. That is right. In fact, the whole secret of its success lies in that fact.

MR. DOYLE. Do you have anything else, Mr. Counsel?

MR. TAVENNER. No, sir.

MR. WALTER. May I ask one more question: Do you know Marcel Scherer?

MR. BUDENZ. I know him quite well, yes. He is, if I may go into family affairs, a brother-in-law of Howard Boldt, who was one of my fellow officers on the Daily Worker. I have known Marcel Scherer before that. That is when I first came into the party, I met Marcel Scherer. I know his wife also.

MR. WALTER. Is Marcel Scherer a Communist?

MR. BUDENZ. Very decidedly.

MR. WALTER. How could a man like that find his way into a country community in the United States where he would be negotiating a contract for the United Electrical Workers Union?

MR. BUDENZ. Well, that is because of this misapprehension of so many people of how a Communist looks, acts, and does. That is, they do not expect a person like Scherer who is alert and presentable to be able to be a Communist. And he, of course, will disguise any Communist traces except when the time comes to present some phase of the line, if he gets his voice heard.

MR. WALTER. In order to find himself in that position, it would indicate that there would be somebody in that labor group who perhaps was a Communist?

Mr. BUDENZ. Oh, undoubtedly, he was drawn in there because of that.

People in the Communist cells always call for a leading Communist to come to their help, someone who is secretly a Communist in that group.

Mr. WALTER. Then to all intents and purposes, in the furtherance of this Communist conspiracy, all of the people in that labor group who were willing to permit that man to lead them would be unwitting tools, would they not?

Mr. BUDENZ. That is right.

That is one of the successes of the Communists, and one of the reasons they keep coming back and coming back after exposure.

Of course, accompanying that, you understand, is a tremendous campaign on their part of vilification of their opponents, of distortion of the issues, of charges of red-baiting, of such a kicking up of the dust that many people who cannot think the thing through are deceived, and when they see a man like Scherer who is quick on his feet and an able man, he impresses them, and naturally he obtains some success among them.

Mr. WALTER. Mr. Budenz, I have heard it said that there are certain companies who prefer to have the UE as the bargaining agent, because it is in such bad repute that it would not make the demand that would be made by another organization that perhaps was in better graces. Do you think there is anything to that?

Mr. BUDENZ. I think there probably is something to that in some quarters. We must understand that when the Communists want to, they can give terms to the manufacturers that are company union terms. And I could, if we had time here, cite some instances. Though that is a very dangerous thing for the manufacturers because when the time comes when they will have to follow the party line in another direction, they will follow it with the same zeal and zest that they can in this other method.

The situation in the electrical industry, gentlemen, in my opinion, is one of the most dangerous in the country. And it is too late now to revoke that, but it is a serious situation. Not because the United Electrical Radio and Machine Workers Union is over the whole industry any more, but because it is, after all, the exposé and expulsion from the CIO and everything else, in a position where it still retains such a hold in such key positions that it does. It has gained some elections in the last year.

Mr. WALTER. What would you advise us to do to make these well-meaning, fine, patriotic American workers aware of what they are doing when they permit the United Electrical Workers Union to be selected as their bargaining agents?

Mr. BUDENZ. Well, you have the same situation not only among the workers but you have it in part in the educational field, too. I mean, I am not trying to belabor any of these different fields, but it exists.

The thing is that the only thing I can see is for this committee to continue in its work of bringing forward the facts, having them widely disseminated, and leaving it to the good sense of the American people to understand what this is all about.

Mr. WALTER. If we would criticize you educators because you were so critical of our system, then perhaps we will be criticized, as we were

when we attempted to look into some of the publications that are being used in schools. I have often been disturbed at the lectures that certain college professors give, all of which point to the imperfections in our system, and all of which have a very decided socialistic slant. And I think that you educators ought to put your house in order.

Mr. BUDENZ. I am only one, of course.

Mr. WALTER. Yes, of course.

Mr. BUDENZ. And I think you appreciate, Mr. Walter, that some of the few times that I have appeared under subpoena I have been rather soundly belabored for such service that I have sought to give the Government. I have given that under subpoena, too, by the way. So that the limitations of one who has been a Communist, exists. And to hurl the name "ex-Communist" at one has got to be sort of a fashionable undertaking on the part of certain people, which has been very beneficial to the Communists, because it is only the ex-Communists who are endeavoring to make some amends for what they did who get this belaboring. And those who like Earl Browder sneak over in the corner and don't serve the United States, they are treated with kid gloves. Therefore, there are limitations to what a person can do.

Mr. JACKSON. I should like to say for one, Mr. Budenz, that I think that of the sum total of the knowledge that the American people of today have of the menace of the Communist conspiracy, a great part is due to you, and great credit is due you and your testimony before the several committees of the Congress. It stands to your lasting credit, and certainly merits the thanks of the people of this country.

Mr. BUDENZ. I appreciate that.

Mr. WALTER. That is a great understatement, Mr. Jackson.

Mr. BUDENZ. I appreciate that. Because I assure you every time I go on the witness stand it is not with any exhilaration, even to a hearing of this sort.

I feel meticulously under tension to state exactly things as I know them. And, in addition to that, of course, it becomes rather tiresome to go from place to place and constantly testify.

At any rate, I do believe that this committee has performed a very valuable task in regard to this report of April 1, for example, 1951, which has been widely used throughout the country. And that is a source of information to the people that I think is beginning to register. It is going to have some effect, that report on the peace crusade.

That is just thrown out for whatever value it has.

Mr. DOYLE. If there is nothing further, the committee will stand in recess until 10:30 tomorrow morning.

Thank you, Mr. Budenz.

(Whereupon, at 4:45 p. m., the committee was recessed, to be reconvened at 10:30 a. m., Wednesday, January 16, 1952.)

THE ROLE OF THE COMMUNIST PRESS IN THE COMMUNIST CONSPIRACY

WEDNESDAY, JANUARY 16, 1952

UNITED STATES HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, D. C.

PUBLIC HEARING

A subcommittee of the Committee on Un-American Activities met pursuant to adjournment at 10:45 a. m., in room 226, Old House Office Building, Hon. Clyde Doyle, presiding.

Committee members present: Representatives Clyde Doyle, Harold H. Velde, Bernard W. Kearney, and Donald L. Jackson.

Staff members present: Frank S. Tavenner, Jr., counsel; Thomas W. Beale, Sr., assistant counsel; Courtney E. Owens, investigator; Raphael I. Nixon, director of research; John W. Carrington, clerk; and Rosella Purdy, secretary to counsel.

Mr. DOYLE. For the purpose of the record, I will announce that the chairman of the committee has appointed for the purpose of this hearing as a subcommittee, committee members Velde, Jackson, and Doyle. Present also at this time is committee member Kearney. The subcommittee named is all present.

Mr. TAVENNER. Mr. Chairman, the first witness this morning is Mr. Max Granich.

Will you come forward, please, Mr. Granich?

Mr. DOYLE. Mr. Granich, will you please raise your right hand and be sworn?

Do you solemnly swear that the testimony you will give this morning in this matter will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GRANICH. I do.

Mr. TAVENNER. Will you state your full name, please, sir?

TESTIMONY OF MAX GRANICH, ACCOMPANIED BY HIS COUNSEL, DAVID REIN

Mr. GRANICH. Max Granich.

Mr. TAVENNER. Are you represented by counsel?

Mr. GRANICH. Yes.

Mr. TAVENNER. Will counsel please identify himself for the record?

Mr. REIN. David Rein, R-e-i-n, 711 Fourteenth Street NW.

Mr. TAVENNER. What is your present address, Mr. Granich?

Mr. GRANICH. Wilmington, Vt.

Mr. TAVENNER. Will you give us your full name, please?

Mr. GRANICH. Max Granich.

Mr. TAVENNER. When and where were you born?

Mr. GRANICH. New York City, March 19, 1896.

Mr. TAVENNER. Will you please outline for the committee, briefly, your educational background?

Mr. GRANICH. New York public schools; a graduate. Evening high schools; didn't graduate. And then self-education.

Mr. TAVENNER. What is your profession or trade?

Mr. GRANICH. Well, I have had many jobs. I haven't limited myself to one thing.

Mr. TAVENNER. Will you please speak a little louder?

Mr. GRANICH. I have had many jobs, many trades.

Mr. TAVENNER. Will you outline for the committee, briefly please, how you have been employed?

Mr. GRANICH. Well, going back a long way, I was office boy, cow-puncher, ranch hand, orange picker, railroad section hand, newspaper reporter.

Mr. TAVENNER. When did you become a newspaper reporter?

Mr. GRANICH. Early 1916, 1917, 1918, 1919, some period in there.

I worked as a sales engineer. I worked as a carpenter. I worked as a shipyard worker, a farmer.

Mr. TAVENNER. How are you employed now?

Mr. GRANICH. Self-employed.

Mr. TAVENNER. In what business?

Mr. GRANICH. Operating a children's camp, and a farm; a work camp, a farm camp.

Mr. TAVENNER. Where?

Mr. GRANICH. In Wilmington, Vt.

Mr. DOYLE. Will you speak up just a little louder, Mr. Granich, please?

Mr. GRANICH. I will try.

Mr. DOYLE. Thank you for trying.

Mr. TAVENNER. How long have you been engaged in that work in Wilmington?

Mr. GRANICH. The last 6 years or 7 years. In fact, I believe we bought the farm in 1944.

Mr. TAVENNER. In 1944. How were you employed between 1944 and 1946?

Mr. GRANICH. Well, in between there, I worked in the shipyards. That was at the time I went to the camp. I worked in the shipyards from 1941 to the end of the war.

Mr. TAVENNER. What shipyards?

Mr. GRANICH. Two or three of them around New York City.

Mr. TAVENNER. Will you give us the names of them?

Mr. GRANICH. Certainly. Todd's Shipyards, Hoboken, N. J.; Atlantic Basin in Brooklyn.

Mr. TAVENNER. Will you speak a little louder, please? It is a little difficult to hear you.

Prior to 1941, how were you employed?

Mr. GRANICH. I was editing a magazine in New York City.

Mr. TAVENNER. What was the name of the magazine?

Mr. GRANICH. China Today.

Mr. TAVENNER. Whom did you succeed as editor?

Mr. GRANICH. I just don't remember his name. I just don't.

Mr. TAVENNER. Who were some of the editors of that magazine prior to the time that you became its editor?

Mr. GRANICH. Gentlemen, I am going to refuse to answer that question, and claim my constitutional privilege; self-incrimination.

Mr. TAVENNER. Was Philip Jaffe the first editor of that magazine?

Mr. GRANICH. On the same grounds, gentlemen, of self-incrimination, I refuse.

Mr. TAVENNER. Were you acquainted with Philip Jaffe?

Mr. GRANICH. On the same grounds, gentlemen—

Mr. TAVENNER. Were you an employee of Philip Jaffe at one period of time?

Mr. GRANICH. On the same grounds; I claim the fifth amendment.

Mr. TAVENNER. Prior to the time that you—let me ask you this first. When did you first become employed as editor of that magazine?

Mr. GRANICH. When I came back from China.

Mr. TAVENNER. What date was that, approximately?

Mr. GRANICH. '38.

Mr. TAVENNER. 1938. Well, prior to your going to China, how were you employed?

Mr. GRANICH. I am trying to get dates exactly. It is difficult thinking back. But I worked as a sales engineer there for a period of time. I had three or four jobs as sales engineer. I was unemployed some periods of that time. I can't say exactly what I did prior to that time, by date.

Mr. TAVENNER. Mr. Granich, you were identified in testimony before this committee yesterday and last week as a member of the Communist Party. Do you desire to comment on that?

Mr. GRANICH. Not a bit.

Mr. TAVENNER. Were you a member of the Communist Party?

Mr. GRANICH. I will claim my constitutional privilege on that.

Mr. TAVENNER. Are you now a member of the Communist Party?

Mr. GRANICH. I still will refuse.

Mr. TAVENNER. Now, when you state you refuse to answer on the ground of your constitutional privilege, what do you mean?

Mr. GRANICH. That it might be incriminating, self-incriminating.

Mr. TAVENNER. That to answer that question might tend to subject you to criminal prosecution?

Mr. GRANICH. Right.

Mr. TAVENNER. Are you acquainted with Mr. Louis F. Budenz?

Mr. GRANICH. I still will claim the privilege, gentlemen.

Mr. TAVENNER. Mr. Granich, I hand you a photostatic copy of a passport application in the name of Max Granich, executed October 22, 1931.

I will first offer this passport in evidence and ask that it be marked "Granich Exhibit No. 1."

Mr. DOYLE. It will be accepted and so marked.

(The passport referred to, marked "Granich Exhibit No. 1," is filed herewith.)

Mr. TAVENNER. Will you examine the passport and look at page 2 and state whether or not that is your signature? It is at the top of page 2.

Mr. GRANICH. Yes, sir. I will identify this.

Mr. TAVENNER. Is that also your photograph appearing at the bottom of the same page?

Mr. GRANICH. Yes.

Mr. TAVENNER. On this passport application, in answer to the question as to what countries you intended to visit, you stated:

"England, France, and Germany."

The reason given for visiting these countries, you will note, is "business and pleasure."

What business did you conduct abroad while using that passport?

Mr. GRANICH. Will you restate your question?

Mr. TAVENNER. My question is: What business did you conduct abroad while using that passport?

Mr. GRANICH. I got a job in the Soviet Union.

Mr. TAVENNER. And what was the nature of the job?

Mr. GRANICH. Construction engineer.

Mr. TAVENNER. How long were you in Russia on that particular occasion?

Mr. GRANICH. About 2 years.

Mr. TAVENNER. It is noticed that you stated that the purpose of your trip was to travel in England, France, and Germany; but it seems your real purpose was to go to Russia. Is that correct?

Mr. GRANICH. Yes and no.

Mr. TAVENNER. Well, answer the question first from the standpoint of "yes."

Mr. GRANICH. I had never seen England. I went to England. I had never seen France. I went to France. My ultimate route took me to the Soviet Union.

Mr. TAVENNER. And you knew when you left the United States that you were going to Russia to obtain employment?

Mr. GRANICH. For a job.

Mr. TAVENNER. Why didn't you state that on your application for your passport?

Mr. GRANICH. Because at the time I thought it might prejudice my getting a passport.

Mr. TAVENNER. So, in other words, you determined that you would not give the State Department the true facts with regard to your proposed travel abroad?

Mr. GRANICH. They were true. I might not have gotten the job.

Mr. TAVENNER. Yes, but you knew ahead of time that the real purpose of your trip was to go to Russia, as you have just stated; and yet you concealed that fact from the State Department, as I understand, for the purpose of adding to your chances of getting a passport to go abroad.

Mr. GRANICH. Yes.

Mr. TAVENNER. Then how did you manage to get to Russia, when using the passport to travel in England, France, and Germany?

Mr. GRANICH. I don't understand. How did I use it?

Mr. TAVENNER. When your passport gave you the authority to travel in the countries mentioned in your application, namely, England, France, and Germany, how did you manage to work your way to Russia?

Mr. GRANICH. Just that way, by working my way.

Mr. TAVENNER. All right. Tell us how you did it. (Mr. Granich consults with his counsel.)

Mr. GRANICH. I would like to say this, that in putting down the two or three countries that I might see, I might have added all of them. I didn't. The passport had no limitations.

Mr. TAVENNER. You have already stated your reason for that. Now, I am asking you how you were able to get into Russia by the use of this passport, just what you did in order to get there.

Mr. GRANICH. Gentlemen, I can't give you those details, because I just fail to remember. I suppose I went to the normal port authorities, or to the Soviet consulate in New York, or through the routines.

Mr. TAVENNER. Then you obtained your visa in this country before sailing?

Mr. GRANICH. I suppose I did.

Mr. TAVENNER. For your entry into Russia?

Mr. GRANICH. I suppose I did.

Mr. TAVENNER. Well, you must know where you obtained your visa.

Mr. GRANICH. Probably New York.

Mr. TAVENNER. Who directed you as to the method to pursue in getting to Russia by using a passport which mentioned only France, Germany, and England, without mentioning Russia? Who advised you to do that?

Mr. GRANICH. You needed no advice on this. You could go to any steamship company any place in the city and get their advice on how to go.

Mr. TAVENNER. Well, who gave you advice?

Mr. GRANICH. I talked to a circle of friends, all kinds of people, steamship companies, people who had been there and come back.

Mr. TAVENNER. And who advised you to use three countries only, when your real purpose was to visit a fourth country?

Mr. GRANICH. Probably nobody did.

Mr. TAVENNER. Now, will you look again at your exhibit, Granich No. 1. You will see there the names of identifying witnesses at the bottom of page 2. What are those names, please? Or the one name; I believe there is only one identifying witness.

Mr. GRANICH. The name is Batterhan.

Mr. TAVENNER. Will you spell it, please?

Mr. GRANICH. B-a-t-t-e-r-h-a-n.

Mr. TAVENNER. What is the first name?

Mr. GRANICH. William.

Mr. TAVENNER. How long had you know that gentleman?

Mr. GRANICH. Oh, probably 5 or 6 years.

Mr. TAVENNER. In what business was he engaged?

Mr. GRANICH. At that time he was engaged in sales of different items, household items, and such things.

Mr. TAVENNER. By whom was he employed?

Mr. GRANICH. Self-employed. It was his own business.

Mr. TAVENNER. Mr. Granich, you mentioned the fact a moment ago that you were in China. I believe the evidence here shows that you arrived in China on January the 10th, 1936. When were you first approached with regard to making this trip to China?

Mr. GRANICH. I refuse to answer that, gentlemen.

Mr. TAVENNER. You just refuse to answer the question?

Mr. GRANICH. Claiming the privilege.

Mr. TAVENNER. What privilege?

Mr. GRANICH. My fifth amendment constitutional rights, against self-incrimination.

Mr. DOYLE. May I ask this? Do you mean that giving the date on which you were first approached about going to China would incriminate you? Is that what I understand?

Mr. GRANICH. I will still claim my privilege, gentlemen.

Mr. TAVENNER. Were you approached as early as the latter part of 1934, or the very first part of 1935, with regard to a proposed trip to China?

Mr. GRANICH. I will still claim my privilege, gentlemen.

Mr. VELDE. Is that the privilege under the United States Constitution, or the Soviet constitution, Mr. Granich?

Mr. GRANICH. I think there is a United States Constitution that has a fifth amendment.

Mr. VELDE. Well, is that the one?

Mr. GRANICH. Yes; that is the one we are talking about.

Mr. TAVENNER. Mr. Granich, I hand you now a photostatic copy of a passport application bearing date April 26, 1935.

I desire to offer it in evidence and ask that it be marked "Granich Exhibit No. 2."

Will you examine the signature appearing on the second page and state whether or not it is your signature?

Mr. DOYLE. The document will be so marked and accepted.

(The document referred to, marked "Granich Exhibit No. 2," is filed herewith.)

Mr. GRANICH. Yes; that is my signature.

Mr. TAVENNER. Is that your photograph appearing there?

Mr. GRANICH. Yes.

Mr. TAVENNER. Now, it was under that passport that you went to China, was it not?

Mr. GRANICH. Yes.

Mr. TAVENNER. I direct your attention to the provision as to the purpose for obtaining a passport. In your application you state that you intended to go abroad for 1 year, for the purpose of a pleasure trip around the world.

Do you see that?

Mr. GRANICH. Yes.

Mr. TAVENNER. Did you make that statement on your application?

Mr. GRANICH. Yes.

Mr. TAVENNER. Was it true?

Mr. GRANICH. Yes.

Mr. TAVENNER. Notwithstanding that, testimony has been introduced here showing that you went to China, using this passport, and that you remained there for a period of 2 years, and that you finally returned to the United States by way of Marseille, France. Is that correct?

Mr. GRANICH. Yes.

Mr. TAVENNER. The evidence also shows that you were constantly engaged in business in Shanghai from a few weeks after your arrival there until the very time of your departure. Is that correct?

Mr. GRANICH. Gentlemen, that opens up an area of questioning that I will have to claim the privilege on.

MR. TAVENNER. You mean you refuse to answer on the ground that to do so might tend to incriminate you?

MR. GRANICH. Yes.

MR. TAVENNER. You are referring now to my question relating to the business which you conducted in China?

MR. GRANICH. That's right.

MR. TAVENNER. Well, aside from that, you did engage in a business in China, did you not, virtually from the time of your arrival until your departure in December of 1937?

MR. GRANICH. I will have to claim the privilege, on the same grounds as before.

MR. TAVENNER. You did remain in Shanghai from the time of your arrival there in January 1936, until December of 1937, did you not?

MR. GRANICH. I will still claim the privilege, gentlemen.

MR. KEARNEY. How did you live in China? If you had no means of employment, how did you live in China?

MR. GRANICH. I will claim the privilege, gentlemen, on that question.

MR. TAVENNER. Now, you had determined, or it had been determined, what your purpose in going to China was prior to the issuance of this passport?

MR. GRANICH. I will claim the privilege, gentlemen.

MR. TAVENNER. Then when you prepared your passport stating that you were going on a pleasure trip around the world, that was false, wasn't it?

MR. GRANICH. No, sir.

MR. TAVENNER. Well, did you intend, when you obtained this passport, to go to China for a period of years to conduct operation of a magazine or a publication?

MR. GRANICH. I will claim the privilege, gentlemen. That still opens up that area of questioning.

MR. TAVENNER. Well, tell us more about this pleasure trip that you desired to go on. You say it was true. Tell us about your plans for your pleasure trip.

(Mr. Granich consults with his counsel.)

MR. GRANICH. I would like that last question repeated.

MR. DOYLE. Read the question, Mr. Reporter.

(The reporter reads, as requested.)

MR. GRANICH. It is still a pleasure trip, gentlemen.

MR. TAVENNER. In other words, you state that your stay of nearly 2 years in Shanghai was a pleasure trip. Is that what you would have the committee believe?

(Mr. Granich consults with his counsel.)

MR. GRANICH. No. I don't want the committee to fully believe that. But I will still claim my privilege on that question.

MR. TAVENNER. And you didn't want the State Department to understand that either, when you made your application to travel to a foreign country. You didn't want it to understand what business you proposed to conduct in Shanghai. Isn't that true?

(Mr. Granich consults with his counsel.)

MR. GRANICH. I will claim my privilege, gentlemen.

MR. TAVENNER. Actually, the reference in your application to a pleasure trip was another deceit which you practiced upon the State Department in regard to the purposes of your traveling abroad, just

as in the case of your first trip to Russia in 1931, was it not? Was it not?

Mr. GRANICH. I am going to claim the privilege, gentlemen.

Mr. TAVENNER. You refuse to answer. Whom did you confer with about your proposed trip to China?

Mr. GRANICH. I claim the privilege on that one.

Mr. TAVENNER. Who paid the expenses of your trip to China?

Mr. GRANICH. I am going to claim the privilege on that, gentlemen.

Mr. TAVENNER. The investigation by the committee staff indicates that you were assisted in making your arrangements for your travel to China by World Tourists, Inc. Is that true?

Mr. GRANICH. I claim the privilege, gentlemen.

Mr. TAVENNER. Do you know who was the head of World Tourist?

Mr. GRANICH. I claim the privilege on that.

Mr. TAVENNER. Is it not true that World Tourists obtained the Chinese visas for you and your wife at the Chinese consulate in New York to make this trip?

Mr. GRANICH. I claim the privilege, gentlemen.

Mr. TAVENNER. And did you pay the \$6.50 cost for the visa, or was it paid by World Tourists?

Mr. GRANICH. I claim the privilege on that.

Mr. TAVENNER. Where did you pick up your tickets for your travel to China?

Mr. GRANICH. I will still claim the privilege.

Mr. TAVENNER. Do you know whether World Tourists arranged such transportation at the instance of and in behalf of the Communist Party?

Mr. GRANICH. I claim the privilege on that one.

Mr. TAVENNER. Did you pay any part of your expense, the expense of your travel to China?

Mr. GRANICH. I claim the privilege on that one.

Mr. TAVENNER. The testimony introduced before the committee has shown that you arrived in China on January 10, 1936. Is that correct, according to your recollection?

Mr. GRANICH. I will have to claim the privilege, gentlemen.

Mr. TAVENNER. Before you went to China, were you acquainted with a person by the name of Ed Scott?

Mr. GRANICH. I haven't the slightest knowledge of a man by the name of Ed Scott.

Mr. TAVENNER. Did you ever know a person who used the name Ed Scott?

Mr. GRANICH. No, sir.

Mr. TAVENNER. As a pseudonym?

Mr. GRANICH. No, sir.

Mr. TAVENNER. I have before me a report of the Shanghai military police, the municipal police, section 2 of the special branch of that organization, under date of April 7, 1936. I would like to read you a paragraph or two of that report, which may refresh your recollection regarding Ed Scott, or at least the incident referred to here.

I find this statement :

It is of interest to note that on February 19, 1935, a Communist base was raided by the French police, and among the documents seized was a letter in English over the name "Ed Scott," in which the writer stated that the American Communist Party was sending a well-known writer, an American of Russian origin, to assist the publication of a paper in Shanghai. Of particular interest in this letter are certain items contained in the general outline of the policy to be followed by the editor of the paper.

Now, does that refresh your recollection in any way as to the identity of Ed Scott?

MR. GRANICH. No, sir, it doesn't.

MR. TAVENNER. Were you the person referred to in the letter over the signature of Ed Scott, as being the American who was being sent to China for the purpose of publishing a paper in Shanghai?

MR. GRANICH. I haven't the slightest knowledge of this letter or person.

MR. TAVENNER. Now, there is a little more information contained in the letter of Ed Scott with regard to the policy of the paper which was to be established. In paragraph 7 of this letter appears the following language, indicating at least part of the policy of this paper which was to be published. It appears in the following language :

The exposure of everything possible of Nanking's secret negotiations and agreements with Japanese and other foreign imperialisms, exposures of their plans against the Chinese Soviets.

Did you engage in the publication of any paper which had as part of its policy those matters which I have just referred to?

MR. GRANICH. I will claim the privilege there, gentlemen.

MR. TAVENNER. There also appears in this letter over the signature of Ed Scott, in paragraph 2, a notation to the effect that the Chinese leaders of the publication were to be encouraged to write for the paper; and upon examination of the second issue of the Voice of China, allegedly published by you, on page 12, there appears the following language :

The Voice of China solicits manuscripts dealing with all phases of Chinese life. We also welcome correspondence and pictures for publication.

Now, that advertisement in the Voice of China seems to be in entire keeping with the policy and the purposes outlined in the Ed Scott letter. Does that refresh your recollection in any manner?

MR. GRANICH. I will claim the privilege, gentlemen, on that.

MR. TAVENNER. It is true, is it not, that you did that very thing, solicit contributions from the Chinese, to be published in the Voice of China?

MR. GRANICH. I will claim the privilege, gentlemen.

MR. KEARNEY. Were you the editor of the Voice of China?

MR. GRANICH. I will still claim that privilege.

MR. KEARNEY. Did you work for the Voice of China?

MR. GRANICH. I will still claim the privilege there.

MR. KEARNEY. And this was while you were on a pleasure trip throughout the world?

MR. GRANICH. I will still claim the privilege.

MR. TAVENNER. Mr. Granich. Mr. Clarence E. Gauss, former United States Ambassador to China and the American consul general in Shanghai while you were there in 1936 and 1937, when appearing be-

fore this committee last week as a witness, identified his dispatch to the State Department of April 25, 1936, and in it referred to a report that he made regarding a complaint by the Chinese Government regarding the publication by you of the Voice of China. In the course of this document, he read the following statement from his dispatch:

Mr. Granich when questioned at the consulate general denied emphatically any Communist affiliation. He stated that his wife assists him in his enterprise and that neither her nor she is a Communist.

Now, were you questioned at the consulate general regarding your alleged Communist affiliation and that of your wife?

Mr. GRANICH. I will claim the privilege, gentlemen.

Mr. TAVENNER. At the time of the alleged questioning, were you affiliated with the Communist Party?

Mr. GRANICH. I will claim the privilege, gentlemen.

Mr. TAVENNER. The testimony introduced here shows that the publication of the Voice of China started out with a circulation of 2,000. The highest circulation it had was 7,500. And at times it was between four and five thousand. It was quite apparent that a publication limited to that circulation could not have been financially self-sustaining.

Will you tell the committee what your source of revenue was in addition to the sale of the magazine?

Mr. GRANICH. I will claim my privileges there, gentlemen.

Mr. TAVENNER. You refuse to answer?

Mr. GRANICH. I refuse to answer.

Mr. TAVENNER. On the ground that to do so might tend to incriminate you?

Mr. GRANICH. Yes.

Mr. TAVENNER. Mr. Granich, I now show you a photostatic copy of an application for registration dated February 27, 1936, in Shanghai, China. This form is described as for the use of United States citizens who were residing in the Shanghai consulate district at that time. You state on this registration that you desire the registration to include the following members of your family. And then there is, "My wife, Grace Maul Granich." Do you see that?

I merely ask you the question as to whether or not your registration does not show that you desired your registration to include the following members of your family, and that there it is stated, "my wife, Grace Maul Granich." Is that correct?

Mr. GRANICH. Yes. That is correct.

Mr. TAVENNER. You also state on the registration form, do you not, that you and Grace Maul Granich were married about June 1934? That appears there, does it not?

Mr. GRANICH. Yes.

Mr. TAVENNER. Was that correct?

Mr. GRANICH. Yes.

Mr. TAVENNER. Referring again to your passport application marked "Granich Exhibit No. 2," there appears in the first paragraph the date of your marriage, in which it is stated that the date of your marriage was April 26, 1935.

It is stated there:

I, Max Granich, a native citizen of the United States, do hereby apply to the Department of State at Washington for a passport. I solemnly swear I was born in New York City, New York, on March 19, 1896, that I was married on April 26, 1935—

which was just the day before the filing, or I believe the same day as the filing of your application for your passport.

Mr. GRANICH. I didn't hear that question.

Mr. TAVENNER. I was pointing out to you the difference in the dates that you have given of your marriage with Grace Maul Granich. Now, can you explain the reason for this rather large discrepancy?

Mr. GRANICH. Yes. I probably had the record there, and didn't then.

Mr. TAVENNER. What is that?

Mr. GRANICH. I probably had the record when I applied for passport, and didn't have the record here.

Mr. KEARNEY. What record?

Mr. GRANICH. Of my marriage.

Mr. KEARNEY. Did you not know what date you were married before you had the record?

Mr. GRANICH. I am sorry, gentlemen. My memory does play me tricks.

Mr. TAVENNER. Well, it was less than 1 year later when you made your application for registration in China.

And during that period of time, do you mean to indicate that you had forgotten the date of your marriage?

Mr. GRANICH. I forgot dates. Yes.

Mr. TAVENNER. You were not married, then, on the date on which you made your application for your passport? Is that what you were telling us?

Mr. GRANICH. Sorry, gentlemen. I can't answer these questions honestly.

Mr. TAVENNER. Well, were you married on the day you filed your application to travel abroad?

Mr. GRANICH. The same answer, I cannot answer you.

Mr. VELDE. Do you remember when you were married, now, at this time?

Mr. GRANICH. Do I what?

Mr. VELDE. Remember when you were married, at this time?

Mr. GRANICH. It is the same question.

Mr. VELDE. Well, answer it again, if you will, please, if you think it is the same question.

Do you recall the date of your wedding?

Mr. GRANICH. No; I do not.

Mr. JACKSON. You do not recall the date of your wedding anniversary?

Mr. GRANICH. No; I do not.

Mr. JACKSON. You must be in hot water most of the time.

Mr. TAVENNER. Let me ask you this question: Were you married on the date indicated in your application for your passport, which states it was April 26, 1935, which was the very day on which you signed your application for your passport? In other words, on your wedding day, did you apply for a passport to travel on a pleasure trip abroad?

Mr. GRANICH. I just can't answer, gentlemen.

Mr. TAVENNER. You don't know that?

Mr. GRANICH. I don't know that.

Mr. TAVENNER. Well, if you made your application for a passport on the 25th of April or 26th of April, you must have contemplated for some period of time before that, that you were going to take this trip.

Isn't that logical? How long ahead of the actual filing of this passport application was it that you decided you were going to make the application?

Mr. GRANICH. Gentlemen, I can't remember, to answer those questions.

Mr. TAVENNER. Well, were you married when you first came to the decision that you were going to apply for this passport?

Mr. GRANICH. That is still the same question. I can't answer.

Mr. TAVENNER. The point that I am asking you to tell this committee is whether or not you were married at the time arrangements were made for you to go to Shanghai, or whether you and Mrs. Granich were married after those arrangements were made.

Mr. GRANICH. I just simply cannot answer that question.

Mr. TAVENNER. Why.

Mr. GRANICH. Because I have no recollection whatever of that.

Mr. TAVENNER. Of the incident of being married?

Mr. GRANICH. Of my marriage; yes.

The date—if you ask the time, I cannot give it to you.

Mr. KEARNEY. When were you born? What date?

Mr. GRANICH. March 19, 1896.

Mr. KEARNEY. That is a good many years before your wedding or your marriage.

Mr. GRANICH. It happens to be a date that I remember.

Mr. TAVENNER. Did you discuss this trip to China with Grace Maul Granich prior to your marriage?

Mr. GRANICH. I want to claim my privilege on that.

Mr. TAVENNER. There has been testimony presented here, Mr. Granich, that you were a brother of Mike Gold, who was connected with the Daily Worker for quite a period of time. Is that correct?

Mr. GRANICH. Yes; that is correct.

Mr. TAVENNER. What was his given name?

Mr. GRANICH. Granich.

Mr. TAVENNER. Was it Michael Granich or Mike Granich or what?

Mr. GRANICH. Irwin Granich.

Mr. TAVENNER. Irwin Granich.

Mr. JACKSON. Is that Irvin or Irwin?

Mr. GRANICH. Irwin.

Mr. TAVENNER. Did you have any other brothers?

Mr. GRANICH. Another brother; yes; George.

Mr. TAVENNER. Was your brother, Irwin Granich, born in this country?

Mr. GRANICH. Yes.

Mr. TAVENNER. And your brother, George, also?

Mr. GRANICH. Yes.

Mr. TAVENNER. Referring back to your trip to China, when did you leave China for return to the United States?

Mr. GRANICH. I claim the privilege again, gentlemen.

Mr. TAVENNER. When you returned to the United States, did you return by way of Marseille, France?

Mr. GRANICH. I claim the privilege again, gentlemen.

Mr. TAVENNER. Upon your return to this country, did you become acquainted with Jacob Golos?

Mr. GRANICH. I claim the privilege there, gentlemen.

Mr. TAVENNER. Were you acquainted with J. Peters?

Mr. GRANICH. I claim the privilege there.

Mr. TAVENNER. Did you have a conference with Louis F. Budenz with regard to obtaining credentials for yourself as a reporter or representative of the Daily Worker?

Mr. GRANICH. I claim the privilege there, gentlemen.

Mr. TAVENNER. Were you acquainted at any time with Frederick Vanderbilt Field?

Mr. GRANICH. I claim the privilege there, gentlemen.

Mr. TAVENNER. Are you acquainted with or were you at any time acquainted with John Stewart Service?

(Mr. Granich confers with counsel.)

Mr. GRANICH. No, sir.

Mr. TAVENNER. You were not acquainted with him. Have you ever had occasion to correspond with him?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Have you at any time received any correspondence from him originating with him, and intended for other persons?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Are you acquainted with Philip Jaffe?

Mr. GRANICH. I claim the privilege there, gentlemen.

Mr. TAVENNER. Did you at any time receive from Philip Jaffe any correspondence, reports, or communications of any character originating with Mr. John Stewart Service and intended for another person?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Have you ever been acquainted with Vassili M. Zubilin?

(Representative Donald L. Jackson left hearing room.)

Mr. GRANICH. No, sir.

Mr. TAVENNER. Do you know who Vassili M. Zubilin was?

Mr. GRANICH. I haven't the slightest idea.

Mr. TAVENNER. In a report issued by this committee of December 30, 1951, entitled, "The Shameful Years," a section is devoted to Mr. Vassili M. Zubilin. I will read you only a few lines of it in order to acquaint you with him.

According to the report it is said:

His first official arrival in the United States was in January 1944, when he assumed the position of third secretary of the Soviet Embassy, in Washington, D. C. He later was elevated to the rank of second secretary. He remained in the United States until August 27, 1944. * * *

While in the United States Zubilin was the head of administration of the NKVD Foreign Information Service, and as such had complete charge of the movement of Soviet espionage agency into and out of the United States.

Now, I think I should call to your attention at this time the testimony of Mr. Larry Kerley on September 15, 1949, before a Subcommittee on Immigration and Naturalization of the Committee of the Judiciary of the United States Senate. In this testimony Mr. Larry Kerley made this statement:

Vassili M. Zubilin was head of the NKVD Foreign Information Service from 1942 to 1944 in charge of illegal movement of aliens in and out of this country.

Then he proceeds to give the names of persons working with the Zubilin apparatus in this country. And after naming a number of persons, Mr. Kerley, in his testimony, refers to you in this language:

Max Granich, associated with Philip Jaffe, was a mail drop for Communists operating in the Orient. He was told to get latest news from the Orient from John Stewart Service, returning from the Orient in the spring of 1945.

Now, I would like to have your comment on that testimony.

Mr. GRANICH. Gentlemen, I don't know who Kerley is, and I don't know who Vassili, whoever he is, is, and I cannot account for the imaginations of a Mr. Kerley.

Mr. KEARNEY. Did you ever collect any information for the Soviet Union and turn it over to the Communist Party?

Mr. GRANICH. No, sir.

(Representative Donald L. Jackson returned to the hearing room at this point.)

Mr. VELDE. Do you know what a mail drop is?

Mr. GRANICH. I do not.

Mr. VELDE. For your information, that is a case where a party receives mail to be delivered to somebody else personally. I think that generally is the definition.

Have you ever received any mail which was to be delivered to someone else other than yourself or your wife?

Mr. GRANICH. I have not.

Mr. VELDE. Did you have a post office box in New York City?

Mr. GRANICH. I did not.

Mr. VELDE. Did you live at the same place in New York City all during your stay in New York City?

Mr. GRANICH. No, I varied residences there. I lived in Staten Island for a period; I lived two or three different places in New York City.

Mr. VELDE. I want you to recall, did either you or your wife, to your knowledge, ever receive any mail destined for somebody else?

Mr. GRANICH. No, sir.

Mr. VELDE. To be delivered by either you or your wife?

Mr. GRANICH. No, sir.

Mr. VELDE. Or any message of any kind?

Mr. GRANICH. No, sir.

Mr. VELDE. That is all I have.

Mr. KEARNEY. And you still refuse to state as to who paid your expenses while in China?

Mr. GRANICH. I will claim the privilege on that, yes, gentlemen.

(Representative Bernard W. Kearney left the hearing room at this point.)

Mr. TAVENNER. Mr. Chairman, I would like to make as an exhibit the application for registration by Mr. Granich which was presented to him in the course of his testimony, and I would like for it to be marked "Granich Exhibit No. 3."

Mr. DOYLE. It will be received and filed and so numbered.

(The application for registration referred to, marked "Granich Exhibit No. 3," is filed herewith.)

Mr. TAVENNER. Mr. Granich, I next call your attention to the passport application executed on April 11, 1946, and accompanied by a letter from you to the State Department.

I desire first to offer the photostatic copy of the passport application in evidence, and ask that it be marked "Granich Exhibit No. 4."

Mr. DOYLE. It will be received and filed and so numbered.

(The copy of passport application above referred to, marked "Granich Exhibit No. 4," is filed herewith.)

MR. TAVENNER. Would you examine the exhibit, please. Mr. Granich, and state whether or not your signature and photograph appear on page 2?

MR. GRANICH (after consulting document). Yes, this is my signature.

MR. TAVENNER. Will you hand it back now, please?

MR. Chairman. I desire to read in evidence the attached letter dated April 11, 1946, to Mrs. Ruth D. Shipley, chief, Passport Division, State Department, Washington, D. C.

Dear Mrs. Shipley:

My wife and I have been invited by Madame Sun Yat-sen to come to Shanghai to assist her in her work in the field of public relations, administration, and publicity. We have today applied for passports and are asking that you give favorable consideration to these applications so that we can make arrangements to leave as soon as possible.

Thanking you, I am

Yours very truly,

MAX GRANICH.

Will you state, Mr. Granich, what work you were specifically to engage in in China for Madame Sun Yat-sen?

MR. GRANICH. I think I will claim the privilege there, gentlemen. You are opening up an area of discussion that I would rather not follow.

MR. TAVENNER. How long did you intend to remain in the employment of Madame Sun Yat-sen?

MR. GRANICH. The same, I will claim the privilege there, gentlemen.

MR. TAVENNER. Will you examine the application for passport again, please, and state who was the identifying witness who signed it?

(The witness conferred with his counsel while examining the document.)

MR. TAVENNER. Have you identified the signature of the person appearing there?

MR. GRANICH. Yes.

MR. TAVENNER. Who is it, please?

MR. GRANICH. Bella Dodd.

MR. TAVENNER. Bella Dodd?

MR. GRANICH. Yes.

MR. TAVENNER. How long have you known Bella Dodd?

MR. GRANICH. I am going to claim the privilege there, gentlemen.

MR. TAVENNER. What were the circumstances under which Bella Dodd became your identifying witness on this passport application?

MR. GRANICH (after conferring with counsel). I am going to claim the privilege there, gentlemen.

MR. TAVENNER. Did she have anything to do with the request from Madame Sun Yat-sen, that you be sent to China?

MR. GRANICH. I am going to claim the privilege.

MR. TAVENNER. You know who Bella Dodd is, do you not?

MR. GRANICH. I am going to claim the privilege, gentlemen.

MR. TAVENNER. You will not have anything to say about Bella Dodd, will you?

MR. GRANICH. No, sir.

MR. TAVENNER. Bella Dodd is a person known to you to be a member of the Communist Party, is she not?

Mr. GRANICH. I claim the privilege, gentlemen.

Mr. TAVENNER. She was at one time a candidate for attorney general for the State of New York on the Communist Party ticket, was she not?

Mr. GRANICH. I claim the privilege, gentlemen.

Mr. VELDE. Why is it that you can identify her signature and give us that information and claim the privilege on your acquaintanceship with her?

Mr. GRANICH. It opens up an area of discussion that, in my opinion, is self-incriminating. I can identify a signature here, yes.

Mr. VELDE. As being the signature of Bella Dodd?

Mr. GRANICH. That, I—yes.

Mr. VELDE. Does that not open up the same area that you are referring to? You say that the question regarding your acquaintanceship with Bella Dodd opens up an area which might incriminate you.

In other words, I cannot see the distinction between identifying her signature and refusing to say that you know anything about her whatsoever.

Mr. GRANICH (after conferring with counsel). I will have to claim the privilege, gentlemen.

Mr. DOYLE. Mr. Jackson?

Mr. JACKSON. Do you know Mrs. Lillian Gerber?

Mr. GRANICH. I will claim the privilege, gentlemen.

Mr. JACKSON. Mrs. Lillian Gerber was the identifying officer on the second application for the passport.

Mr. TAVENNER. Are you acquainted with John Carter Vincent?

Mr. GRANICH. No, sir, I am not.

Mr. TAVENNER. Have you ever corresponded with him on any subject?

Mr. GRANICH. No, sir, I never have.

Mr. TAVENNER. There was a statement contained in the files of the Shanghai Municipal Police reporting a conversation with Mr. Pilcher, who was vice consul at Shanghai, the substance of which was that the State Department had brought pressure to bear on the local American authorities in China reprimanding them for continual harassment of you. That was the language of the report.

And it was stated by this member of the Shanghai Municipal Police that it appeared that some influence had been brought upon the State Department by some one placed in the high Communist circles to go light with you in China.

Did you address any communication directly or indirectly, by letter or by word of mouth, designed to influence the State Department in connection with the difficulties you were having in China?

Mr. GRANICH. No, sir, I never did. I knew nobody in the State Department to write to.

Mr. TAVENNER. Did you solicit the aid of any person to perform that function?

Mr. GRANICH. I did not.

Mr. TAVENNER. Did any one solicit that aid for you, to your knowledge?

Mr. GRANICH. Not to my knowledge.

Mr. TAVENNER. Well, did you have any reason to believe that such a course of action was being pursued in your behalf?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Did you, while in China, complain to any one in the United States, directly or indirectly, regarding the treatment that you were receiving in China?

Mr. GRANICH. I will claim the privilege there, gentlemen.

Mr. TAVENNER. You are acquainted with Mr. Morris Appelman, are you not?

Mr. GRANICH. I will claim the privilege there.

Mr. TAVENNER. Mr. Morris L. Appelman testified before this committee that he was called to Communist headquarters by Earl Browder and was advised by him that the Graniches were having difficulty with the publication in China, and that they had requested that he, Morris Appelman, be sent out there to take over the publication.

Do you have any comment to make upon that testimony?

Mr. GRANICH. No comments.

Mr. TAVENNER. Well, was it based upon facts?

Mr. GRANICH (after conferring with his counsel). I claim the privilege, gentlemen, on that.

Mr. VELDE. Mr. Granich, was anything that you sent through the mail in Shanghai ever confiscated, to your knowledge?

Mr. GRANICH. I will claim the privilege on that, gentlemen.

Mr. TAVENNER. May I ask one more question, Mr. Chairman?

Mr. DOYLE. Yes.

Mr. TAVENNER. Referring again to my line of questioning relating to an alleged acquaintanceship that you had with John Stewart Service, were you advised that John Stewart Service was returning to the United States from China, and that he would bring with him any information or news regarding the Orient?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Did you participate in any manner, directly or indirectly, in the receipt or transmission of any information having its origin with John Stewart Service?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Or did you see any information—

Mr. GRANICH. No, sir.

Mr. TAVENNER. Having its origin with John Stewart Service?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Or did you see any information having its origin with any other employee of the United States Government, whether located at the time in China or in the United States?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Mr. Chairman, that is all for the present.

Mr. DOYLE. The committee will stand in recess until 2 o'clock.

Mr. Granich, you are directed to return at 2 o'clock today to the same room.

Mrs. Granich, I see you are here. I know you have been subpoenaed, and you are directed to return at 2 o'clock here today in this room.

(Whereupon, at 12:10 p. m., a recess was taken until 2 p. m., this same day.)

AFTERNOON SESSION

(The committee reconvened at 2:45 p. m., Representatives Walter, Velde, Kearney, and Jackson being present, Mr. Doyle presiding.)

Mr. DOYLE. Are you ready to proceed, Counsel?

Mr. TAVENNER. Yes, sir.

Mr. Granich, I was asking you about your passport application of April 11, 1946. I believe your passport was issued, was it not?

**TESTIMONY OF MAX GRANICH, ACCOMPANIED BY HIS COUNSEL,
DAVID REIN—Resumed**

Mr. GRANICH. I claim privilege on that, gentlemen, under the Fifth amendment.

Mr. TAVENNER. It shows on its face that it was issued on November 18, 1946. Did you use the passport in foreign travel?

Mr. GRANICH. I claim privilege, gentlemen, on that.

Mr. TAVENNER. Although you wrote the State Department stating that you desired a passport because you had been requested by Madame Sun Yat-sen to come to China, you refused to state whether or not you went to China on that passport?

Mr. GRANICH. I still claim the privilege; yes, sir.

Mr. TAVENNER. Where were you in November 1946?

Mr. GRANICH. Wilmington, Vt., to the best of my knowledge.

Mr. TAVENNER. In what business were you then engaged?

Mr. GRANICH. I can't remember, gentlemen.

Mr. TAVENNER. Have you continued to live there, at that address, since that time, November 1946?

Mr. GRANICH. Yes, sir.

Mr. TAVENNER. Then you have not used this passport in foreign travel, if you have remained in Vermont since 1946. Isn't that true?

Mr. GRANICH. I will claim my privilege there, gentlemen.

Mr. TAVENNER. Have you engaged in foreign travel any place since November 1946?

(Mr. Granich consults with his counsel.)

Mr. GRANICH. What was that question, again?

Mr. TAVENNER. Will you read it to him, Mr. Reporter?

(The reporter reads, as requested.)

Mr. GRANICH. No, sir.

Mr. TAVENNER. Then you have not used this passport in foreign travel since its issuance on November 18, 1946?

Mr. GRANICH. No, sir.

Mr. TAVENNER. Has anyone else used it?

Mr. GRANICH. No, sir.

Mr. TAVENNER. You received it in November 1946; did you not?

Mr. GRANICH. I received it. I can't say as to the date.

Mr. TAVENNER. What use was made of it?

Mr. GRANICH. None.

Mr. TAVENNER. What did you do with it?

Mr. GRANICH. I have it.

Mr. TAVENNER. What is that?

Mr. GRANICH. I probably have it some place.

Mr. TAVENNER. Why didn't you go to China in conformity with your letter, in which you stated that you desired the passport immediately, so that you could make arrangements to leave as soon as possible for China?

Mr. GRANICH. I will claim my privilege there, gentlemen.

Mr. TAVENNER. Did you apply at a later date for a renewal of this passport?

Mr. GRANICH. No, sir.

Mr. TAVENNER. What is that?

Mr. GRANICH. Not to my knowledge; no, sir.

Mr. TAVENNER. I offer in evidence a photostatic copy of passport renewal application of December 12, 1949, which was effective until November 1950. It was a renewal of the 1946 passport, No. 154867, which has been introduced in evidence as Granich exhibit No. 4.

I wish you would examine this application, please; which I desire to have offered in evidence and marked "Granich Exhibit No. 5."

Mr. DOYLE. It will be so accepted and so marked.

(The documents referred to, marked "Granich Exhibits 4 and 5," are filed herewith.)

Mr. TAVENNER. Do you identify your signature to the application?

Mr. GRANICH. I have no recollection of this, gentlemen.

Mr. TAVENNER. Is that your signature?

Mr. GRANICH. That is my signature.

Mr. TAVENNER. The application states that you desired to visit your family, that you desired to depart New York on December 20, 1949, to visit your family in England and France. Do you see that?

Will you point it out to him, please?

Do you observe that statement in your application?

I say: Do you see that statement in your application?

Mr. GRANICH. Yes, sir.

Mr. TAVENNER. Will you read it, please?

Mr. GRANICH. "Visiting family."

Mr. TAVENNER. In England and France?

Mr. GRANICH. "In England and France."

Mr. TAVENNER. In that in your handwriting?

Mr. GRANICH. Yes, sir.

Mr. TAVENNER. Whom did you propose to visit in your family in England and France in December of 1949?

Mr. GRANICH. My brother lived in France.

Mr. TAVENNER. Your brother?

Mr. GRANICH. My brother.

Mr. TAVENNER. What was your brother's name?

Mr. GRANICH. Irwin Granich.

Mr. TAVENNER. What is that?

Mr. GRANICH. Irwin Granich.

Mr. TAVENNER. That is Mike Gold?

Mr. GRANICH. That is Mike Gold.

Mr. TAVENNER. What was his position in France at that time?

Mr. GRANICH. He was writing a book.

Mr. TAVENNER. What was the title of the book? Do you know?

Mr. GRANICH. I do not.

Mr. TAVENNER. Was it published?

Mr. GRANICH. No, it has never been published.

Mr. TAVENNER. How long was your brother, Mike Gold, in France at that time?

Mr. GRANICH. Three years.

Mr. TAVENNER. When did he leave France?

Mr. GRANICH. I do not know.

Mr. TAVENNER. What is that?

Mr. GRANICH. I do not know.

Mr. TAVENNER. What relatives did you have in England?

Mr. GRANICH. None.

Mr. TAVENNER. Well, what was your purpose in stating on your application that you desired to visit relatives in England, if you had no relatives in England?

Mr. GRANICH. This states definitely, "Purpose of trip, visiting family. Countries to be visited, England and France." It does not say anything about family in England.

Mr. TAVENNER. What was your purpose in visiting England, if you did not go there to visit members of your family?

Mr. GRANICH. Just to visit England; to see it.

Mr. TAVENNER. To see England?

Mr. GRANICH. Yes.

Mr. TAVENNER. Did you go?

Mr. GRANICH. The passport was never used.

Mr. TAVENNER. Why?

Mr. GRANICH. I will claim my privilege, gentlemen.

Mr. TAVENNER. Did you actually intend to visit some country other than England and France?

Mr. GRANICH. I will claim my privilege, gentlemen.

Mr. TAVENNER. Did you intend to do the same thing in this instance that you did in 1931, to give the names of countries that you desired to visit, when actually you intended to visit an entirely different country?

Mr. GRANICH. I will claim my privilege, gentlemen.

Mr. TAVENNER. What became of the passport? The passport was issued, was it not?

(Mr. Granich consults with his counsel.)

Mr. GRANICH. That was a renewal. That was not an issuance of a passport.

Mr. TAVENNER. But you had to have the original 1946 passport in order to have the proper endorsements of renewal placed upon it, did you not?

Mr. GRANICH. Yes, sir.

Mr. TAVENNER. Now, what became of it? That is, your 1946 passport as renewed in 1949.

Mr. GRANICH. To the best of my recollection, it is around the house some place.

Mr. TAVENNER. You do have it at the present time?

Mr. GRANICH. I fully believe so, yes.

Mr. TAVENNER. Did the Communist Party have any connection with the proposed trip for which you made your application in 1946?

Mr. GRANICH. I claim my privilege there, gentlemen.

Mr. TAVENNER. Did the Communist Party have any connection with your proposed trip in 1949, when you sought a renewal of your passport?

Mr. GRANICH. I claim my privilege there.

Mr. TAVENNER. Will you deliver your passport to your counsel, so that he may submit it to us for our inspection after your return, so that we may photostat it if we desire to do so?

Mr. GRANICH. Yes.

Mr. REIN. That is, if he has it.

Mr. BEALE. He says he has it.

Mr. REIN. He says he thinks he has it.

Mr. GRANICH. I believe I have it.

Mr. TAVENNER. We asked you earlier in your testimony regarding your position with the publication China Today, of which you were the editor. Now, why did you leave your position as editor of China Today?

(Mr. Granich consults with his counsel.)

Mr. TAVENNER. Will you answer the question, please?

Mr. GRANICH. I don't remember the question.

Mr. TAVENNER. Read the question, Mr. Reporter.

(The reporter reads, as requested.)

Mr. GRANICH. Because of Pearl Harbor, gentlemen.

Mr. TAVENNER. Explain to the committee how that influenced your decision.

Mr. GRANICH. There was no reason for the magazine.

Mr. TAVENNER. Will you explain further your reason, the reason you have in mind, why there would be no need for the further publication of that paper after Pearl Harbor?

(Mr. Granich consults with his counsel.)

Mr. GRANICH. Because I wanted to help the war effort, and I went into the shipyards to work.

Mr. TAVENNER. You wanted to help the war effort. Well, did you change your opinion at that time regarding your desire to be helpful to the United States?

Mr. GRANICH. I didn't change any opinion at all.

Mr. TAVENNER. Did the publication continue to exist as a publication after Pearl Harbor or not?

Mr. GRANICH. It did not.

Mr. TAVENNER. Now, who were the financial supporters of that magazine while you were editor?

Mr. GRANICH. Mr. Chairman, I will claim my privilege.

Mr. TAVENNER. Was Philip Jaffe—

Mr. GRANICH. I will claim my privilege there, gentlemen.

Mr. TAVENNER. Was Philip Jaffe one of them?

Mr. GRANICH. I will claim my privilege.

Mr. TAVENNER. Was the publication of that magazine sponsored by an organization known as the American Friends of the Chinese People?

Mr. GRANICH. I will claim my privilege there, gentlemen.

Mr. TAVENNER. You are familiar with an organization by that name; are you not?

Mr. GRANICH. I will claim my privilege.

Mr. TAVENNER. Were you a member of it?

Mr. GRANICH. I will claim my privilege.

Mr. TAVENNER. Were you a member at any time of the American League for Peace and Democracy?

Mr. GRANICH. I will claim my privilege there, gentlemen.

Mr. TAVENNER. Were you a member of the International Workers' Order?

Mr. GRANICH. I will claim my privilege there, gentlemen.

Mr. TAVENNER. Were you an instructor at any time in the School for Democracy?

Mr. GRANICH. I will claim my privilege there.

Mr. TAVENNER. I have no further questions, Mr. Chairman.

Mr. DOYLE. Mr. Velde, any questions?

Mr. VELDE. Yes.

Mr. Granich, coming back to your living in New York during the early 1940's, what was your address in New York City?

Mr. GRANICH. I can't remember.

Mr. VELDE. Well, you had the regular mail delivery service to your home or apartment or wherever you lived?

Mr. GRANICH. Yes.

Mr. VELDE. Do you remember what section it was in New York City where you lived, say, from 1941 to 1946?

(Mr. Granich consults with his counsel.)

Mr. VELDE. To refresh your recollection, was the place where you lived 339 East Sixteenth Street?

Mr. GRANICH. Yes; we lived there.

Mr. VELDE. Was that an apartment building?

Mr. GRANICH. An apartment house.

Mr. VELDE. Did you receive the mail at that address through the regular mail service?

Mr. GRANICH. Yes.

Mr. VELDE. Did you at any time from 1941 to 1946 apply for a special mail box?

Mr. GRANICH. No, sir.

Mr. VELDE. Or for a general delivery mail box at the post office or subpost office?

Mr. GRANICH. No, sir.

Mr. VELDE. Did you at any time during your stay in New York City or your residence in New York City apply for a special delivery mail box?

Mr. GRANICH. No, sir.

Mr. VELDE. Of any kind?

Mr. GRANICH. No, sir.

Mr. VELDE. The evidence that was read to you this morning regarding mail drops was given by Larry Kerley. I believe you said you did not know who he was, and I do not suppose you would, because he was an FBI agent at that particular time and had something to do with your particular case, as I understand it.

If there is any question in your mind as to whether you are absolutely certain that you did not forward any mail received by you to anyone else, I would like to have you think it over and tell us at this time, if there is any doubt in your mind that you received mail from someone else to be delivered by you or your wife to someone else.

Mr. GRANICH. Definitely no.

Mr. VELDE. Are you registered to vote in New York City?

Mr. GRANICH. I had been.

Mr. VELDE. Are you presently registered there?

Mr. GRANICH. I have not been there for 6 or 7 years.

Mr. VELDE. Where are you now registered, now registered to vote?

Mr. GRANICH. In Wilmington, Vt.

Mr. VELDE. You are registered to vote there. Have you ever registered to vote on the Communist ticket?

Mr. GRANICH. I won't answer that question, because I claim privilege.

Mr. VELDE. Do you have any military service?

(Mr. Granich consults with his counsel.)

Mr. VELDE. With the United States Government?

Mr. GRANICH. No; I haven't.

Mr. VELDE. At the present time, if you were acceptable in the Army, would you have any hesitancy in fighting on the side of the United States Government in the case of its being engaged in a major conflict with Soviet Russia.

Mr. GRANICH. That's a hypothetical question.

Mr. VELDE. Well, I realize that.

Mr. GRANICH. Let's put the hypothesis the other way.

Why can't we assume that we might be able to live together, instead of fighting together?

Mr. VELDE. Live together, you say?

Mr. GRANICH. Live together, in a family.

Mr. VELDE. I still insist that you answer my question, if you would have any hesitancy in fighting on the side of the United States Government in the case of an all-out major war or conflict with the Soviet Government.

Mr. GRANICH. I would defend the United States against any aggressor.

Mr. VELDE. Then why was there some hesitancy in your mind about this being a hypothetical question.

Mr. GRANICH. There is none.

Mr. VELDE. Mr. Granich, you have been entirely uncooperative in answering all of the questions dealing with your connections with communism or with Soviet Russia, based on your rights as to self-incrimination, some of which, in my opinion, could not possibly, conceivably, incriminate you.

It is my feeling that if you are willing to fight for the United States Government, you owe a duty to this committee, to this Congress, to reveal any connections you may have had with communism or with the Soviet Government. And I will ask in an executive committee meeting, if the proper time comes, that you be cited for contempt of this Congress.

Mr. JACKSON. Mr. Granich, what was the nature of your employment in the shipyards?

Mr. GRANICH. Machinist.

Mr. JACKSON. If my recollection serves me correctly, you became editor of China Today in 1938. Is that correct?

Mr. GRANICH. Yes, sir.

Mr. JACKSON. With whom were the negotiations carried on for you to become editor of China Today.

Mr. GRANICH. I will claim my privilege there.

Mr. JACKSON. You refuse to say who offered you employment as editor of China Today?

Mr. GRANICH. I claim privilege.

Mr. JACKSON. Have you ever been a visitor in the offices of the Daily Worker?

Mr. GRANICH. I claim privilege, gentlemen.

Mr. JACKSON. What was your employment during 1930, Mr. Granich?

Mr. GRANICH. I can't remember.

Mr. JACKSON. But you were offered a position as construction engineer in that year, construction engineer for the Soviet Union.

Mr. GRANICH. After I got there.

Mr. JACKSON. After you got to the Soviet Union.

What were your qualifications as a construction engineer?

How did your educational background qualify you for that?

Mr. GRANICH. A knowledge of mathematics and some experience in this country.

Mr. JACKSON. Who made the offer to you on behalf of the Soviet Union to become a construction engineer?

(Mr. Granich consults with his counsel.)

Mr. GRANICH. The State Employment Office in Moscow.

Mr. JACKSON. Where were the discussions carried on with respect to your assuming this employment as a construction engineer?

Mr. GRANICH. In Moscow.

Mr. JACKSON. In Moscow. Do I understand that on this trip to England, France, to the Continent, and to the Soviet Union, you worked your way?

Mr. GRANICH. I claim privilege—no.

(Mr. Granich consults with his counsel.)

Mr. GRANICH (continuing). Will you repeat that question, please?

Mr. JACKSON. Yes. I believe you said that you worked your way, and I believe the words are your own, so far as this visit was concerned.

What did you mean by working your way?

Mr. GRANICH. That was bad phrasing, working my way. I mean in the sense that I would visit in one country for a while and then go on.

Mr. JACKSON. But not physically. You were not physically employed in work during the course of the trip. In other words, you paid your fare, your transportation, to the Continent and thence to Moscow?

Mr. GRANICH. That was the intention.

Mr. JACKSON. Were funds made available to you by any person or by any group to facilitate your trip to the Continent?

Mr. GRANICH. No, sir.

Mr. JACKSON. Was this also true of your trip to China?

Mr. GRANICH. I will claim the privilege there.

Mr. JACKSON. I believe that this question has been asked.

Do you know Louis Budenz?

Mr. GRANICH. I will claim privilege there.

Mr. JACKSON. Did you know Mrs. Lillian Gerber?

Mr. GRANICH. I will claim privilege there.

Mr. JACKSON. Do you know Mrs. Grace Hutchins?

Mr. GRANICH. I will have to claim privilege.

Mr. JACKSON. Do you know Owen Lattimore?

Mr. GRANICH. I will have to claim privilege.

Mr. JACKSON. Did you know Alger Hiss?

Mr. GRANICH. I will have to claim privilege.

Mr. JACKSON. Following out the line of Mr. Velde's inquiry, as between the Constitution of the United States and that of the Soviet Union, which would you support in case of world conflict?

Mr. GRANICH. I will claim privilege on that, gentlemen.

Mr. JACKSON. Do you believe that the United States is an aggressor in Korea?

Mr. GRANICH. I will claim my privilege on that.

Mr. JACKSON. Do you approve of the United States occupation of Western Germany?

Mr. GRANICH. I will claim my privilege on that.

Mr. JACKSON. Do you believe in peace, Mr. Granich?

Mr. GRANICH. Very much.

Mr. JACKSON. Do you believe that peace can be achieved between the Soviet Union and the United States at the conference table and through negotiation?

Mr. GRANICH. Yes, sir.

Mr. JACKSON. Mr. Stalin has said that it is inconceivable that the United States and Soviet Russia should exist side by side in the same world. Do you agree with Mr. Stalin or not?

Mr. GRANICH. I will claim my privilege there, gentlemen.

Mr. JACKSON. No further questions.

Mr. DOYLE. I neglected at the beginning of this afternoon's session to say that the members of the subcommittee were here, Mr. Jackson, Mr. Velde, and Chairman of the Subcommittee Doyle. We now have with us Mr. Walter.

I believe, Mr. Granich, you said you were self-employed now.

Mr. GRANICH. Yes, sir.

Mr. DOYLE. And I believe you said you were operating a children's camp, a farm?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. How old are those children?

Mr. GRANICH. I will claim privilege there, gentlemen.

Mr. DOYLE. Do I understand that you claim the privilege of the United States Constitution on the ground that if you stated the age of the children of the camp you operate it might incriminate you?

Mr. GRANICH. No; but it enters an area of questioning that might incriminate me.

Mr. JACKSON. Mr. Chairman, I would ask that the witness be directed to answer the question.

Mr. DOYLE. I will direct you, Mr. Granich, to answer that question.

Mr. GRANICH. From 6 to 12 years of age.

Mr. DOYLE. How many such children?

Mr. GRANICH. 20 to 40 children.

Mr. DOYLE. How many?

Mr. GRANICH. 40.

Mr. DOYLE. And what fee do you charge for each child to come to that camp? How much do you get paid a month?

Mr. GRANICH. We run a summer camp.

Mr. DOYLE. Just a summer camp. How much do you get paid for the summer camp for each child?

Mr. GRANICH. \$300.

Mr. DOYLE. Who pays their fee?

Mr. GRANICH. Each parent.

Mr. DOYLE. And who operates the camp with you, just during the summer?

Mr. GRANICH. My wife.

Mr. DOYLE. Your wife has been here in the hearing room all day with you. That is Grace Granich?

Mr. GRANICH. Yes.

Mr. DOYLE. And where is this summer camp?

Mr. GRANICH. Wilmington, Vt.

Mr. DOYLE. Do the children live in tents, or in houses, during the summer?

Mr. GRANICH. In houses.

Mr. DOYLE. In what months of the summer do you have the children in camp?

Mr. GRANICH. July and August.

Mr. DOYLE. And you get \$300 per child?

Mr. GRANICH. Yes.

Mr. DOYLE. Do you have any circulars, any printed advertisements of this camp?

Mr. GRANICH. Yes.

Mr. DOYLE. Do you have any with you?

Mr. GRANICH. No, sir.

Mr. DOYLE. Could I ask that you would perhaps deliver a sample of each to your counsel, so that we may have it for our information?

I have operated some of these summer camps myself, so I know that you always have such advertisements.

You get \$300 per child for 2 months. What do you give those children during 2 months for \$300?

Mr. GRANICH. Anything any normal camp would give them, swimming, fishing, good food, good games.

Mr. DOYLE. Do you have any instructors in swimming aside from yourself and your wife?

Mr. GRANICH. We have counselors; yes.

Mr. DOYLE. How many counselors do you have?

Mr. GRANICH. It depends on the number we can get or the number of kids we have.

Mr. DOYLE. How many kids did you have this last summer?

Mr. GRANICH. Forty.

Mr. DOYLE. How many instructors did you have of special interests?

Mr. GRANICH. We have eight counselors.

Mr. DOYLE. And where did you get the counselors?

Mr. GRANICH. By recommendation.

Mr. DOYLE. Where do you hire them from?

Mr. GRANICH. By mail, by contact, by friends.

Mr. DOYLE. And how much do you pay them for the 2 months?

Mr. GRANICH. It all varies according to their abilities and what they contribute.

Mr. DOYLE. Well, from minimum to maximum, how much?

Mr. GRANICH. From \$50 to \$125 and \$150.

Mr. DOYLE. Is your camp, then, on the side of a lake?

Mr. GRANICH. A large swimming pool.

Mr. DOYLE. How large?

Mr. GRANICH. Three hundred or 400 feet by 100.

Mr. DOYLE. It is an outdoor swimming pool?

Mr. GRANICH. Yes.

Mr. DOYLE. Do you or Mrs. Granich or either of you own this property?

Mr. GRANICH. We own this property.

Mr. DOYLE. How many acres in this camp?

Mr. GRANICH. One hundred thirty.

Mr. DOYLE. You own it. How long have you owned it?

Mr. GRANICH. Six or 7 years.

Mr. DOYLE. You have been operating that camp since 1944, I believe you said.

Mr. GRANICH. No, we owned it since then, probably since 1945 or 1946.

Mr. DOYLE. Well, what year did you begin operating it?

Mr. GRANICH. 1945 or 1946.

Mr. DOYLE. From what general geographical area do you draw these children to your camp?

Mr. GRANICH. The New England States; the Middle Atlantic States.

Mr. DOYLE. What is the name of your camp?

Mr. DOYLE. Higley Hill?

Mr. DOYLE. Higgly Hill?

Mr. GRANICH. Yes.

Mr. DOYLE. Is that the name of some former owner?

Mr. GRANICH. Of the hill; who lived on the hill.

Mr. DOYLE. Now, are there any individuals that endorsed your camp, that you published the names of as endorsers?

Mr. GRANICH. No, sir.

Mr. DOYLE. Is it entirely owned by you?

Mr. GRANICH. Entirely owned by us.

Mr. DOYLE. Are you going to operate it next summer if you can?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. What do you do with that camp or farm, if anything, during the winter months?

Mr. GRANICH. We live there. It is our home.

Mr. DOYLE. Is it an ordinary residence?

Mr. GRANICH. It is a large house.

Mr. DOYLE. Do you farm it in any way with the children?

Mr. GRANICH. Yes.

Mr. DOYLE. What do they do; children from 8 to 12 years of age, on the farm?

Mr. GRANICH. They all have farming. They all have chores to do.

Mr. DOYLE. Do you have any classes of any kind?

Mr. GRANICH. No, sir.

Mr. DOYLE. No classes?

Mr. GRANICH. Other than arts and crafts.

Mr. DOYLE. What arts and crafts do you teach?

Mr. GRANICH. Clay, clay work, bead work, leather work.

Mr. DOYLE. Do you have any instructions in any kinds of books or pamphlets?

Mr. GRANICH. No, sir.

Mr. DOYLE. Do you have any blackboard work?

Mr. GRANICH. We have a blackboard there as a daily newspaper. The kids write on it as well as I do, mostly the kids.

Mr. DOYLE. Do you have a library?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. What kinds of books or pamphlets do you have in the library?

Mr. GRANICH. We have a library in Brattleboro where we get 40 to 60 books for the summer.

Mr. DOYLE. What are the names of some of the pamphlets or books that you have in the library for these children to read?

Mr. GRANICH. Louisa Alcott, all the normal kid books, Ivanhoe, Sir Walter Scott, Tennyson, Black Beauty.

Mr. DOYLE. Tennyson and Ivanhoe. And how old are the children?

Mr. GRANICH. 6 to 12.

Mr. DOYLE. At what point did you enter Soviet Russia? When you testified in answer to our counsel when he asked you how you got there, you said, "By working my way."

That, I believe, was your exact answer. At what port of entry, or what area did you enter Soviet Russia, from France or any other nation?

Mr. GRANICH (after conferring with counsel). I will claim my privilege there.

Mr. DOYLE. You understand my question, do you?

Mr. GRANICH. At what port of entry.

Mr. DOYLE. Yes. As I understand it, then, you are claiming your privilege on the ground that it might embarrass or incriminate you if you tell this committee at what point in Soviet Russia you entered on this occasion when you went into Russia, without naming Russia as one of the countries you wanted to visit on your passport. That was the purport of my question, and that is the port of entry I refer to. You understood that when you claimed your privilege?

(Representative Donald L. Jackson left the hearing room at this point.)

Mr. GRANICH. Yes.

Mr. TAVENNER. I think, Mr. Chairman, he should be directed to answer that question.

Mr. DOYLE. Mr. Granich, as chairman of this committee I direct you to answer the question.

Mr. GRANICH. Leningrad.

Mr. DOYLE. Did you have a visa that you produced to enter Soviet Russia when you entered at Leningrad?

(Representative Donald L. Jackson returned to the hearing room at this point.)

Mr. GRANICH. Yes, sir.

Mr. DOYLE. Where did you get that visa?

Mr. GRANICH. I think we went through that this morning gentlemen.

Mr. DOYLE. I do not think we went through it at all, as far as this question is concerned.

Mr. GRANICH. Because my memory did not serve me well this morning on that I will say now I cannot remember.

Mr. DOYLE. In other words, are you telling me you cannot remember because you think you answered the same question this morning?

Mr. GRANICH. No.

Mr. DOYLE. Well, you can remember, can you not?

Mr. GRANICH. On details and dates, I get confused, yes.

Mr. DOYLE. How long did you stay in Leningrad, approximately?

Mr. GRANICH. Oh, a week, maybe, to see the city.

Mr. DOYLE. What did you do there during that week?

Mr. GRANICH. See the city.

Mr. DOYLE. Did you meet anybody or interview anybody?

Mr. GRANICH. No, sir.

Mr. DOYLE. Or go to any offices?

Mr. GRANICH. No, sir.

Mr. DOYLE. You did not meet any citizens of the Soviet Union?

Mr. GRANICH. No, sir.

(Representative Francis E. Walter entered the hearing room at this point.)

Mr. DOYLE. Where did you live in Leningrad during that week?

Mr. GRANICH. At a hotel.

Mr. DOYLE. What hotel?

Mr. GRANICH. I don't recall.

Mr. DOYLE. See if you can refresh your memory in any way. What was the name of the hotel you stayed at in Leningrad for a week? Was your wife with you?

Mr. GRANICH. No, sir.

Mr. DOYLE. Was she with you on any of these trips to foreign countries?

Mr. GRANICH (after conferring with counsel). Will you repeat that question, please?

Mr. DOYLE. Was your wife with you on any of these trips to foreign countries?

Mr. GRANICH. Yes.

Mr. DOYLE. That you have admitted taking?

Mr. GRANICH. Yes.

Mr. DOYLE. What trips?

Mr. GRANICH (after conferring with counsel). To China.

Mr. DOYLE. All right, what other trips?

Mr. GRANICH. That is all that I can recall.

Mr. DOYLE. Well, think a minute, now. Your memory is pretty good on some points. I mean your memory that you admit having is pretty good on some points, I think. See if it is not pretty good on this one now.

What other countries did your wife travel in with you besides China during the time that you admit that you were editor of the Voice of China from about 1938 to 1941?

Mr. GRANICH. Those dates are wrong. Something is wrong there.

Mr. DOYLE. I asked you the question unintentionally, Mr. Granich. I did not mean to ask you a question that was not founded on fact.

Counsel advises me that the name of one of the papers, or magazines you were editor of, was China Today, as well as Voice of China. Now, I ask you again what other countries did your wife travel in with you besides China, or don't you remember whether she was with you or not?

(The witness conferred with his counsel.)

Mr. DOYLE. Are you ready, Mr. Granich, after consulting with counsel?

Mr. GRANICH. Yes; I will claim privilege on that, gentlemen.

Mr. DOYLE. May I have the question read, please, Mr. Reporter, that I asked Mr. Granich.

(The record was read by the reporter.)

Mr. DOYLE. The reason I asked the reporter to read that question, Mr. Granich, is I realize I asked those questions in such a way that you might not have been sure which question I wanted you to answer. It is the question as to whether or not your wife went with you to any other country than China.

You stand on your privilege, do you, and refuse to answer that question?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. On the grounds that it might incriminate you?

Mr. DOYLE. Did anyone go from whatever country you went from to Leningrad besides you? Did anyone go with you to Leningrad? Did your wife or did Mike Gold, your brother, Irwin Granich, go with you to Leningrad?

Mr. GRANICH (after conferring with counsel). I will claim my privilege, gentlemen.

Mr. VELDE. I think that is a perfectly legitimate question, Mr. Chairman. I request you to direct the witness to answer. I do not see how that possibly, under any conceivable stretch of the imagination, could incriminate him.

Mr. DOYLE. I will direct you to answer that question, Mr. Granich. (Representative Donald L. Jackson left the hearing room at this point.)

Mr. GRANICH (after conferring with counsel). I shall claim my privilege.

Mr. DOYLE. Did you live alone at this hotel in Leningrad, during the week, or as long as you were there, or did you live with someone that went with you from whatever country you went from to Leningrad?

Mr. GRANICH. I shall claim my privilege, gentlemen.

Mr. DOYLE. Where did you go from Leningrad, from Soviet Russia to what point?

Mr. GRANICH (after conferring with counsel). What was that question again?

Mr. DOYLE. Please read it, Mr. Reporter.

(The question was read by the reporter.)

Mr. GRANICH. To Moscow.

Mr. DOYLE. How long were you there?

Mr. GRANICH. About 2 years.

Mr. DOYLE. Did you see anyone there that you had not known previously, or that you had not met personally previously?

Did you meet anyone in Moscow during those two years that you had not previously met before you arrived at Moscow? Anyone from the United States, for instance, or who visited the United States, ever, either any American citizen or any Soviet citizen?

Mr. GRANICH. I must have, gentlemen, yes.

Mr. DOYLE. Well, who?

Mr. GRANICH. I cannot recall.

Mr. DOYLE. Who, if anyone, you had met in the United States previous to the time you went to Moscow on this trip did you meet in Moscow?

Mr. GRANICH. I can't recall.

Mr. DOYLE. But you do recall meeting someone?

Mr. GRANICH. I met Americans there, yes.

Mr. DOYLE. Did you meet any Soviet citizens in connection with your work as a construction engineer or otherwise?

Mr. GRANICH. Yes; many Soviet citizens.

Mr. DOYLE. Did you meet any Soviet citizens in connection with your work in China, either contemplated or previous, in connection with the magazines?

Mr. GRANICH. Did I meet anybody in Moscow in relation to China?

Mr. DOYLE. Yes.

Mr. GRANICH. No, sir.

MR. DOYLE. Did you meet any Soviet Government officials in Moscow during the 2 years, and if so, who?

MR. GRANICH. If I met any Soviet officials I can't recall, as such.

MR. DOYLE. If they were not as such, what were they in the capacity in which you met them?

MR. GRANICH. As citizens. I could not talk Russian.

MR. DOYLE. Did you have an interpreter when you spoke with them?

MR. GRANICH. My hands did the talking.

MR. DOYLE. Beg pardon?

MR. GRANICH. My hands did the talking.

MR. DOYLE. No; I realize you cannot talk with your hands, but that you have interpreters that interpret these conversations between you and the Soviet officials.

MR. GRANICH. On the first construction job I had an interpreter.

MR. DOYLE. Was your wife with you when you met any of these Soviet officials, whether they were talking to you officially as such or not?

MR. GRANICH. I have not met any Soviet officials, because, to the best of my recollection I did not.

MR. DOYLE. Did you meet any members of the Soviet Communist Party while you were over there in Moscow or Leningrad, and if so, who?

MR. GRANICH (after conferring with counsel). I stated I met Soviet citizens; whether they were Communists or not, I couldn't tell.

MR. DOYLE. Did you meet any member of the Soviet Communist Party while you were over there, to your knowledge?

MR. GRANICH. That is what I said. The last question—the last answer applies the same way.

MR. DOYLE. Did you attend any Communist meetings while you were over there, whether you met anyone in the meetings or not. Did you attend any meetings that you knew to be Communist meetings?

MR. GRANICH. They were all held in Russian. Every meeting in the Soviet Union is held in Russian, not in English.

MR. DOYLE. Will you please answer my question. I did not ask you in what language they talked. I asked you whether you attended any Communist meetings.

MR. GRANICH. I did not.

MR. DOYLE. How long did your brother, Mike or Irwin, live in France before you visited him in France?

MR. GRANICH (after conferring with counsel). I didn't visit my brother in France.

MR. DOYLE. I thought you testified that you visited your brother, Mike, in France. Did you visit your brother, Mike, any place in Europe or in Russia while you were over there?

MR. GRANICH. He wasn't there; no, sir.

MR. DOYLE. Did you ever meet Madame Sun Yat-sen herself, personally?

MR. GRANICH (after conferring with counsel). I will claim my privilege there.

MR. DOYLE. Did you actually receive an invitation from her to do what you claimed in your passport was the reason you wanted to go to China?

MR. GRANICH. I will claim my privilege there.

Mr. DOYLE. Were you the sole owner of the magazine in China that you were editor of, the Voice of China?

Mr. GRANICH. I will claim my privilege there.

Mr. DOYLE. You stated in answer to counsel that there was no longer any use for the continuation of the magazine when Pearl Harbor occurred. Did you, as yourself, alone and separately, make that decision so far as the continuation of that magazine was concerned?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. You made it alone?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. You did not have to consult anybody?

Mr. GRANICH. No, sir.

Mr. DOYLE. How soon after Pearl Harbor did you stop editing the magazine, Voice of China, or China Today?

(Representative Donald L. Jackson entered the hearing room at this point.)

Mr. GRANICH. I cannot recall whether it was 1 or 2 months after.

Mr. DOYLE. What was the date of the Pearl Harbor catastrophe to which you refer?

Mr. GRANICH. 1941.

Mr. DOYLE. What day of the month and what month?

Mr. GRANICH. I can't tell you.

Mr. DOYLE. I think that is all. I have just one other question: Do you receive any contributions or donations to this summer camp that you operate from any person or any group of persons?

Mr. GRANICH. No, sir.

Mr. DOYLE. Have you ever?

Mr. GRANICH. No, sir.

Mr. DOYLE. When it was first established, did you?

Mr. GRANICH. No, sir.

Mr. DOYLE. Thank you.

Mr. Walter?

Mr. WALTER. No questions.

Mr. VELDE. I have just one question. Have you ever met Lem U. Harris?

Mr. GRANICH. I claim privilege on that.

Mr. VELDE. That is all.

Mr. DOYLE. Do you have any other questions, counsel?

Mr. TAVENNER. You were asked a number of questions regarding the library that you have at the camp you maintain.

Do you exhibit or have you at any time exhibited in that library copies of the Daily Worker or any other Communist papers?

Mr. GRANICH. I will claim privilege on that, gentlemen.

Mr. TAVENNER. Has the Communist Party had any connection or affiliation of any character with the operation of that camp?

Mr. GRANICH. I will claim privilege on that.

Mr. TAVENNER. I have no further questions.

However, I would like for it to be plain that we are interested in seeing the passport and the advertisements which you mentioned, and I will ask that the witness deliver those to his counsel right away so that we can have them available by the first of next week.

Mr. REIN. They have to get back to Vermont, and it has to come down here by mail.

Mr. TAVENNER. I understand that. Vermont is not that far away.

Mr. DOYLE. May we add to that, please, Mr. Rein, the names and addresses of publications of any newspapers or magazines or pamphlets which have come in to the camp from summer to summer or any summer since its establishment?

Mr. GRANICH. I did not hear that.

Mr. DOYLE. Any magazines that come through the mail or pamphlets which come through the mail, that is, either by subscriptions or contributions to the camp from any groups or any publishing house or any committee. Do you understand what I mean, Mr. Granich?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. Any children's literature, for instance.

Mr. GRANICH. Yes.

Mr. DOYLE. Picture books that are published by any committee or organization of any sort interested in children's welfare. Is that clear to you?

Mr. GRANICH. Yes, sir.

Mr. DOYLE. Is there any reason why this witness should not be excused?

Mr. JACKSON. I have one question.

Mr. DOYLE. Mr. Jackson.

Mr. JACKSON. I understand the camp is called Higley Hill. Has it always been called that? Did you give it that name or what?

Mr. GRANICH. Yes.

Mr. JACKSON. What was the farm called before you took possession?

Mr. GRANICH. The farm was called nothing, just a farm.

Mr. JACKSON. Who was the previous owner?

Mr. GRANICH. Hall Brothers.

Mr. JACKSON. Hall?

Mr. GRANICH. H-a-l-l.

Mr. JACKSON. That is the last name?

Mr. GRANICH. Yes.

Mr. JACKSON. I have no further questions.

Mr. DOYLE. May the witness be excused, counsel?

Mr. TAVENNER. Yes, sir.

Mr. DOYLE. You are excused, then, Mr. Granich.

Mr. REIN. Are you going to call Mrs. Granich?

Mr. TAVENNER. Yes, sir; I think so.

Mr. DOYLE. Mrs. Granich, will you please come forward?

Will you please raise your right hand, Mrs. Granich, and be sworn?

Do you solemnly swear that the testimony you will give in this matter will be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. GRANICH. Yes, sir, I do.

TESTIMONY OF MRS. GRACE MAUL GRANICH, ACCOMPANIED BY HER COUNSEL, DAVID REIN

Mr. TAVENNER. What is your full name?

Mrs. GRANICH. Grace Maul Granich.

Mr. TAVENNER. You are the wife of Mr. Max Granich?

Mrs. GRANICH. That is right.

Mr. TAVENNER. You live in Vermont?

Mrs. GRANICH. Wilmington, Vt.; yes, sir.

Mr. TAVENNER. When and where were you born, Mrs. Granich?

Mrs. GRANICH. Oak Harbor, Ohio, November 30, 1894.

Mr. TAVENNER. Will you advise the committee, please, what your educational background has been?

Mrs. GRANICH. I went to public school in Oak Harbor. My family moved to Bucyrus, at the end of the eight grade for me, and I went to high school in Bucyrus, Ohio. After I graduated from high school, I went to work, and I took extension work in Toledo University, and later in the University of California, and wherever there was a university where I lived, I did a little extension work.

Mr. TAVENNER. We understand from the testimony of your husband that you have been engaged in conducting a camp.

Mrs. GRANICH. That is right.

Mr. TAVENNER. Since 1945 or 1946.

Mrs. GRANICH. My memory for dates is much better than my husband's.

Mr. TAVENNER. Is that correct?

Mrs. GRANICH. It isn't exactly correct. We went there to live in 1946 with my husband's brother who was dying of cancer. My husband's brother had a few, had a children's camp, and we had a few of those children up there with my sister-in-law and my brother, and we didn't really have a camp that you could call a camp. We had a few children living with us from summer to summer until 1946. And one summer we would take mothers and children. We lived as best we could to make a living, because we had no other means of income, and we found we couldn't farm up there because it is a barren countryside, unless you want to be a dairy farmer. So, in the summertime—

Mr. TAVENNER. But you bought the farm in 1944, did you not?

Mrs. GRANICH. I think it was exactly 1943, if you check the records and the deeds, yes.

Mr. TAVENNER. And did you live on the farm from 1943 until 1948?

Mrs. GRANICH. No; we moved up there, as I told you with this dying brother-in-law in 1946 in the summertime. And then we stayed there. My brother-in-law died, and we stayed on there.

Mr. TAVENNER. The brother-in-law you spoke of, is that Mr. George—

Mrs. GRANICH. George Granich.

Mr. TAVENNER. Mr. George Granich?

Mrs. GRANICH. Yes.

Mr. TAVENNER. He was a member of the Communist Party?

Mrs. GRANICH. I haven't any idea.

Mr. TAVENNER. Then let me refresh your recollection by showing you an article written by Mike Gold, a brother, dated September 3, 1946, and which was printed in the Daily Worker. And I will point out to you in this article this statement in black type:

George was a good farmer and a skilled carpenter, builder, and cabinetmaker as well as a good father and an active hard-working Communist.

You are familiar with that article written by Mr. Gold, his brother, are you not [handing document to the witness]?

Mrs. GRANICH. I am not familiar with it: no.

Mr. TAVENNER. Will you look at it now, please?

Mrs. GRANICH. Yes; I have looked at it.

Mr. TAVENNER. And having looked at it, do you still say you do not know about his being a Communist?

Mrs. GRANICH. I read it here, that is why I know.

Mr. TAVENNER. Is that the only knowledge that you have, what you see in that paper?

Mrs. GRANICH. That is my only knowledge as to my brother's membership in the party or any other organization.

Mr. TAVENNER. You have seen that article before, have you not?

Mrs. GRANICH. It could be.

Mr. TAVENNER. You would know whether you have or not, would you not?

Mrs. GRANICH. I probably did, but I am not certain.

Mr. TAVENNER. Did you?

Mrs. GRANICH. I am not certain.

Mr. TAVENNER. Mrs. Granich, how were you employed prior to the time that you moved to the farm in Vermont?

Mrs. GRANICH. I must refuse to answer that question on the grounds that it might incriminate me.

Mr. TAVENNER. How were you employed in 1945?

Mrs. GRANICH. I must also refuse to answer that on the same grounds.

Mr. TAVENNER. How were you employed in 1935?

Mrs. GRANICH. I refuse to answer that question for the same grounds.

Mr. TAVENNER. And how were you employed in 1930?

Mrs. GRANICH. On the same grounds.

Mr. TAVENNER. You refuse to answer?

Mrs. GRANICH. That is right.

Mr. JACKSON. Will you recite your record of employment, which is not incriminating or possibly incriminating?

Mrs. GRANICH. When I finished high school, I had a number of stenographic jobs. I learned stenography. I worked for, I was the executive secretary of the Grace Methodist Church in Toledo, Ohio.

Mr. DOYLE. Could I ask you to speak louder, please?

Mrs. GRANICH. I was executive secretary of the Grace Methodist Church in Toledo, Ohio.

Mr. TAVENNER. When was that?

Mrs. GRANICH. Let me think. That was around 1916, I suppose. Then I worked for a steel company. I think it was called the S. M. Jones Co., in Toledo, Ohio. I worked for the dean of the College of Arts and Sciences at Toledo University.

Mr. TAVENNER. Was that after you had been secretary of the Methodist Church?

Mrs. GRANICH. Yes, that was after. I left the one job and took the other which I held very briefly, and then I got sick with tuberculosis and was sick for 5 years.

And then I worked in San Francisco in insurance companies.

Mr. TAVENNER. When was that?

Mrs. GRANICH. Twenty-one, two, three, four, five, six, and seven, I suppose, something like that. I am not exact about that, those years, but about that time.

Mr. TAVENNER. That is approximately, then, up until 1927?

Mrs. GRANICH. About that time, yes.

Mr. TAVENNER. And then what was your employment?

Mrs. GRANICH. Then I took a vacation for—

Mr. TAVENNER. Where did you spend your vacation?

Mrs. GRANICH. For a year. I went touring.

Mr. TAVENNER. How is that?

Mrs. GRANICH. I went visiting.

Mr. TAVENNER. You went visiting?

Mrs. GRANICH. Yes.

Mr. TAVENNER. Where did you visit? Did you visit neighbors or some close friends?

Mrs. GRANICH (after conferring with counsel). No, no, I went to Mexico, I went to Germany, I went to France, I was in the Soviet Union for about 3 weeks, I think, 4 weeks maybe.

Mr. TAVENNER. In what year?

Mrs. GRANICH. In 1927.

Mr. TAVENNER. How long did you remain abroad at that time?

Mrs. GRANICH. Altogether, I left—I hitchhiked with a friend from San Francisco to El Paso and took a train to Mexico City, and went from there to France. I don't know how long it was. It was probably from September to around Christmas time, something like that.

Mr. TAVENNER. How long did you remain abroad on this trip?

Mrs. GRANICH. I told you.

Mr. TAVENNER. I didn't understand you.

Mrs. GRANICH. Altogether, if you count Mexico abroad, in Mexico I was 6 weeks, I don't know exactly when I left Mexico, and I came home. I think, right after Christmas.

Mr. TAVENNER. Of 1927?

Mrs. GRANICH. No, that would be 1928.

Mr. TAVENNER. Yes.

Mrs. GRANICH. I think.

Mr. TAVENNER. What employment did you have after you returned?

Mrs. GRANICH. Then I did free-lance typing of manuscripts wherever I could get them for a while.

Mr. TAVENNER. Was that connected with any news service or publication?

Mrs. GRANICH. Connected with nothing.

Mr. TAVENNER. What was your next employment?

Mrs. GRANICH. I did work for Scott Nearing and for various people I worked at that time, on a free-lance basis.

Mr. TAVENNER. What was the nature of the work you did for Scott Nearing?

Mrs. GRANICH. Typing of his books. I don't recall. He needed some one to type them.

Mr. TAVENNER. What was the next employment?

Mrs. GRANICH. I refuse to answer this question on the grounds that it might incriminate me.

Mr. TAVENNER. When did your employment with Scott Nearing cease?

Mrs. GRANICH. I forgot, I went from him, I went to Manumit School, where I was registrar.

Mr. TAVENNER. Where is that school located?

Mrs. GRANICH. It was then located in Pawley, N. Y. Now I think it is somewhere in Pennsylvania, but I am not sure. That was my first experience with children, progressive education.

Mr. TAVENNER. And that was your employment after leaving Scott Nearing?

Mrs. GRANICH. That is right. My work in New York was a very brief period. I cannot give you the exact dates except I know I was Manumit School registrar, I was at Manumit School more than a year.

Mr. TAVENNER. And then your connection with that school was terminated about when?

Mrs. GRANICH. That is right, I suppose, about 1930.

Mr. TAVENNER. About 1930?

Mrs. GRANICH. Yes.

Mr. TAVENNER. Why was your work at that school terminated?

Mrs. GRANICH. Because I got tired of living in the country.

Mr. TAVENNER. Then what did you do?

Mrs. GRANICH. Then I came to New York.

Mr. TAVENNER. For what purpose?

Mrs. GRANICH. To find a job.

Mr. TAVENNER. Did you find one?

Mrs. GRANICH. Yes. I worked for a little while with the Textile Workers' Union in the office, and I probably had another office job or two. I have forgotten.

Mr. TAVENNER. That was in 1930?

Mrs. GRANICH. Yes; maybe 1929, 1930—it must have been 1930.

Mr. TAVENNER. After that, what was your next employment?

Mrs. GRANICH. I will not answer that question on the grounds that it might incriminate me.

Mr. TAVENNER. Was it in the State of New York and in the city of New York?

Mrs. GRANICH. I will claim my privilege under the fifth amendment and not discuss it at all.

Mr. TAVENNER. What is your reason for refusing to state your employment in 1930?

Mrs. GRANICH. The fifth amendment is my reason.

Mr. TAVENNER. You were identified in the course of testimony here last week by Mr. Louis Budenz as having been employed as an assistant to J. Peters in the Communist Party headquarters in New York in the year 1935. Is that true or false?

Mrs. GRANICH. I will claim my privilege under the fifth amendment.

Mr. TAVENNER. You refuse to answer it?

Mrs. GRANICH. I refuse to answer it; yes.

Mr. TAVENNER. Were you acquainted with Mr. Louis Budenz?

Mrs. GRANICH. I refuse to answer that question on the same grounds.

Mr. TAVENNER. Where is Mr. J. Peters now, do you know?

Mrs. GRANICH. I refuse to answer that question on the same grounds.

Mr. TAVENNER. Between 1927, when you went abroad, and 1935, did you go abroad again?

Mrs. GRANICH. I must claim my privilege under the fifth amendment with regard to that question also.

Mr. TAVENNER. I desire to offer in evidence a photostatic copy of a passport application bearing the date of March 22, 1932, and ask that it be marked "Grace Granich Exhibit No. 1."

Mr. DOYLE. It will be received and so marked.

(The document referred to, marked "Grace Granich Exhibit No. 1," is filed herewith.)

Mr. TAVENNER. Will you examine the application, please, and state whether or not the signature "Grace Maul" on the second page is your signature?

Mrs. GRANICH (after examining document). Gentlemen, I cannot discuss this passport, this passport application, on the grounds that it may tend to incriminate me.

Mr. TAVENNER. My question is whether or not that is your signature.

Mrs. GRANICH (after conferring with her counsel). I claim my privilege under the fifth amendment with regard to this.

Mr. TAVENNER. Do you see the photograph at the bottom of that same page?

Mrs. GRANICH. Yes.

Mr. TAVENNER. Whose photograph is that?

Mrs. GRANICH. I claim that same privilege.

Mr. TAVENNER. This application for passport shows that the purpose of the trip is stated, as allegedly stated by you, was to travel in Germany, France, Italy, and Spain for pleasure. Is that correct?

Mrs. GRANICH. I claim my privilege under the fifth amendment.

Mr. TAVENNER. If you traveled in those countries for pleasure, how could there possibly be any incriminating fact regarding that?

Mrs. GRANICH. My reason for answering this question this way is because it might tend to lead into an area of questioning which might incriminate me.

Mr. TAVENNER. In other words, you went abroad for an entirely different purpose than that stated in your application?

Mrs. GRANICH. I claim my privilege under the fifth amendment.

Mr. TAVENNER. The application shows that the passport was actually issued March 23, 1932. When did you first meet your present husband, Mr. Max Granich?

Mrs. GRANICH. 1931.

Mr. TAVENNER. Where?

Mrs. GRANICH. Staten Island

Mr. TAVENNER. Did you see him in Russia in 1932?

Mrs. GRANICH. I claim my privilege under the fifth amendment.

Mr. TAVENNER. I hand you another photostatic copy of a passport application, and I ask that it be introduced in evidence and marked "Grace Granich Exhibit No. 2."

Mr. DOYLE. It will be received and so marked.

(The document referred to, marked "Grace Granich Exhibit No. 2," is filed herewith.)

Mr. TAVENNER. This passport application is in the name of Grace Maul Granich and bears the date April 26, 1935. Were you married to Mr. Granich on that date, April 26?

Mrs. GRANICH. Yes.

Mr. TAVENNER. 1935?

Mrs. GRANICH. Yes.

Mr. TAVENNER. When were you married?

Mrs. GRANICH. April 26, 1935.

Mr. TAVENNER. You were married on the date of the——

Mrs. GRANICH. That is right.

MR. TAVENNER. Of the filing of this application?

Mrs. GRANICH. I was married on April 26, 1935. I said nothing about an application.

MR. TAVENNER. That is the date upon which you filed this application for passport, is it not?

Mrs. GRANICH. I must decline to answer this question on the grounds that it might incriminate me.

MR. TAVENNER. Will you examine the passport and state whether or not that is your signature and your photograph appearing thereon? [Handing document to witness.]

Mrs. GRANICH. I decline to answer this question on the grounds that it may incriminate me.

MR. TAVENNER. Did you engage in travel abroad in 1936?

Mrs. GRANICH. I decline to answer on the same grounds.

MR. TAVENNER. What were you doing in 1936?

Mrs. GRANICH. I must decline to answer that question also.

MR. TAVENNER. Were you not in China and engaged with your husband in the editing and publishing of a magazine known as the Voice of China?

Mrs. GRANICH. I claim my privilege under the fifth amendment.

MR. TAVENNER. Mrs. Granich, I have before me a report of the Shanghai municipal police, section 2 of the special branch, dated May 1, 1936, showing that an investigation had been made regarding the finances of the Eastern Publishing Co. According to this report, Mrs. Grace Granich opened an account with a cash deposit of \$2,593.50 with the National City Bank of New York. Is that correct?

Mrs. GRANICH. I decline to answer that question on the grounds of the fifth amendment.

MR. TAVENNER. The report also shows that from time to time you transferred sums from that account to Mr. Granich and also to the Eastern Publishing Co. Is that correct?

Mrs. GRANICH. I claim my privilege under the fifth amendment.

MR. TAVENNER. By that I mean, did you transfer—

Mrs. GRANICH. I understood the question.

MR. TAVENNER. Transfer sums of money from your personal bank account to the Eastern Publishing Co.

Mrs. GRANICH. I understood the question, but I am not answering that on the grounds that it might tend to incriminate me.

MR. TAVENNER. Is it not true that you took funds with you in cash to be used in the editing and publishing of that paper?

Mrs. GRANICH. I claim my privilege under the fifth amendment.

MR. TAVENNER. According to the testimony of Mr. Louis Budenz, you stated to him in the fall of 1935 or the winter of 1935 that you proposed to go abroad on business for the Communist Party. Now, is it not a fact that you were handling the funds in China for the publishing of that magazine, The Voice of China, and that you received those funds from the Communist Party?

Mrs. GRANICH. I claim my privilege under the fifth amendment.

(Representative Donald L. Jackson left the hearing room at this point.)

MR. DOYLE. Counsel, it becomes necessary for two of the members to leave at this time in order to attend to other official matters that must be taken care of yet today. So, if there is no objection, we regret

the inconvenience caused to everyone, but further hearings must go over until tomorrow morning at 10:30.

There is just no way we can help it.

Mr. REIN. I do want to make this one observation, and that is about getting this other material by next week.

I think you can appreciate that you probably will not get it in a week, but you will get it as promptly as possible.

Mr. TAVENNER. Off the record.

(Discussion off the record.)

Mr. DOYLE. Counsel, I did not hear you have the record disclosed at the beginning of Mrs. Granich's questioning that she had worthy counsel by her side.

Mr. TAVENNER. No, I am very sorry.

Mr. DOYLE. May the record show that Mr. Rein, who was counsel for Mr. Granich, throughout the questioning of Mrs. Granich was counsel and by her side.

Mr. REIN. Yes.

Mr. TAVENNER. Off the record.

(Discussion off the record.)

Mr. DOYLE. Then, Mrs. Granich, you will return tomorrow at 10:30, and the committee stands in recess until that time.

(Thereupon, at 4:25 p. m., Wednesday, January 16, 1952, the hearing was recessed, to reconvene at 10:30 a. m., Thursday, January 17, 1952.)

THE ROLE OF THE COMMUNIST PRESS IN THE COMMUNIST CONSPIRACY

THURSDAY, JANUARY 17, 1952

UNITED STATES HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, D. C.

PUBLIC HEARING

A subcommittee of the Committee on Un-American Activities met, pursuant to adjournment, at 10:50 a. m., in room 226, Old House Office Building, Hon. Clyde Doyle, presiding.

Committee members present: Representatives Clyde Doyle, Morgan M. Moulder, Harold H. Velde, Bernard W. Kearney (appearance noted in the record), and Donald L. Jackson.

Staff members present: Frank S. Tavenner, Jr., counsel; Thomas W. Beale, Sr., assistant counsel; Courtney E. Owens, investigator; Raphael I. Nixon, director of research; John W. Carrington, clerk; and Rosella Purdy, secretary to counsel.

Mr. DOYLE. Counsel, are you ready to proceed?

Mr. TAVENNER. Yes, sir.

Mr. DOYLE. May the record show that the full subcommittee heretofore officially designated to hear the testimony of Mr. and Mrs. Granich is here, Messrs. Velde, Jackson, and Doyle. Also present is committee member Moulder this morning.

Mrs. Granich, are you ready to proceed?

TESTIMONY OF MRS. GRACE MAUL GRANICH, ACCOMPANIED BY HER COUNSEL, DAVID REIN—Resumed

Mrs. GRANICH. Yes.

Mr. DOYLE. And is counsel ready?

Mr. REIN. Yes.

Mr. TAVENNER. Mrs. Granich, it was shown in evidence that the Eastern Publishing Co. and the Voice of China was being established by your husband, Mr. Max Granich, and there was no reference in the evidence to your occupying an editorial position with the paper at the time of its inception in China.

But an examination of the files discloses that beginning with the issue of February 15, 1937, the editors were reported in the Voice of China as Max Granich and Grace Granich.

I would like to ask you why it was that your name did not appear as the co-editor in the preceding issues of the Voice of China.

Mrs. GRANICH. I decline to answer that question. I am claiming my constitutional privileges under the fifth amendment.

MR. TAVENNER. Is it not a fact that your prominence in this enterprise was deliberately concealed until well along in the publication of that magazine?

MRS. GRANICH. I claim my constitutional privilege.

MR. TAVENNER. Will you speak a little louder?

MRS. GRANICH. I claim my constitutional privilege there also.

MR. TAVENNER. I would like to return for the moment to the filing of your application for passport to go to China. The application was introduced in evidence as Grace Granich exhibit No. 2.

I notice that attached to your application for passport there is an affidavit bearing date of April 2, 1935, with reference to the passport which had been issued to you in April of 1932. In this affidavit you state:

I further solemnly swear that the above-described passport—that is, the passport of April, 1932—

is, to the best of my knowledge and belief, not held by any person or persons not authorized by law to possess it, and that it was lost in the following manner: I am unable to state the exact circumstances under which the passport was lost. I had it with a number of papers, letters, and so forth in my writing desk, but have had no occasion to look for it since my return from Europe in the summer of 1933. It is my belief that it was either burned in a general housecleaning or taken by children who play at the house as a desirable plaything, in which event it would also have been destroyed.

That is signed Grace M. Granich.

Now, is that a correct statement of the facts relating to the passport of April 1932?

MRS. GRANICH. I must decline to answer that question on the same grounds.

MR. TAVENNER. Will you speak a little louder?

MRS. GRANICH. I must decline to answer that question on the same grounds, the fifth amendment.

MR. TAVENNER. Mrs. Granich, may I call your attention to the wording of your answer when you say you must decline to answer.

MRS. GRANICH. I decline to answer.

MR. DOYLE. You mustn't do anything, so far as we are concerned.

MRS. GRANICH. I correct that statement.

MR. TAVENNER. Have you made any search for your passport since the signing of this affidavit April 26, 1935?

MRS. GRANICH. I decline to answer that question on the grounds of the fifth amendment.

MR. TAVENNER. Did any other person use that passport?

MRS. GRANICH. I claim my constitutional privileges under the fifth amendment.

MR. TAVENNER. Mrs. Granich, it has been shown by the testimony of Louis Budenz that at the direction of the Communist Party, after consultation with Earl Browder and other officials of the Communist Party you established an organization known as Intercontinent News and registered with the United States Government under the provisions of the Foreign Agents' Registration Act.

Did you confer with Earl Browder and others of the Communist Party relative to the establishment of Intercontinent News?

MRS. GRANICH. I claim my constitutional privileges under the fifth amendment.

MR. TAVENNER. And refuse to answer?

Mrs. GRANICH. And refuse to answer.

Mr. TAVENNER. Did you and your husband play any part in the establishment of the Intercontinent News?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. The Intercontinent News had its initial inception as a corporation, did it not?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. TAVENNER. Mr. Chairman, I offer in evidence a photostatic copy of the certificate of incorporation of Intercontinent News, a corporation, certified to by the county clerk of the Supreme Court of New York County, January 8, 1952, and ask that it be marked "Grace Granich Exhibit No. 3."

Mr. DOYLE. It will be received and so marked.

(The passport referred to, marked "Grace Granich Exhibit No. 3," is filed herewith.)

Mr. TAVENNER. This certificate of incorporation was dated the 10th day of January, 1939 and it shows the incorporators to be Max Granich, Victor J. Hanover, and Sol H. Cohn.

Who was Victor J. Hanover?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. Who was Sol H. Cohn?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. TAVENNER. Did you not know that these individuals, Victor J. Hanover and Sol H. Cohn, were employees in the office of Joseph Brodsky, the attorney who drew up the certificate of incorporation?

Mrs. GRANICH. I claim my constitutional privilege.

Mr. TAVENNER. Were you acquainted with Joseph Brodsky?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. TAVENNER. Mrs. Granich, the committee is in possession of information that Victor J. Hanover and Sol H. Cohn, on the day following the incorporation of Intercontinental News, assigned their interests in the corporation to Grace M. Granich, Alexander Trachtenberg, and Sam Dom, or, rather Sam Don, D-o-n, though he was sometimes referred to as Dom, D-o-m. Is that correct?

Mrs. GRANICH. I claim my constitutional privilege.

Mr. TAVENNER. On the day following the incorporation of Intercontinent News, is it not true that Alexander Trachtenberg was president of the Daily Worker Advisory Council as an official of that publication?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. TAVENNER. Is it not also true that Sam Don was a member of the Daily Worker staff at that time? That is the day after the incorporation of Intercontinent News.

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. The committee is also in possession of information showing that the corporation of Intercontinent News Corp. was dissolved on the 25th day of March, 1941. As evidence of this I introduce in evidence a certificate, a photostatic copy of the original, under the certificate of the clerk of the Supreme Court of New York County bearing date January 8, 1952, and ask that it be marked "Grace Granich Exhibit No. 4."

Mr. DOYLE. It will be received and filed and numbered as requested. (The document referred to, marked "Grace Granich Exhibit No. 4," is filed herewith.)

Mr. DOYLE. May the record at this point show that committee member Kearney has taken a seat.

(Representative Bernard W. Kearney entered the hearing room at this point.)

Mr. TAVENNER. Did you have an interest in this corporation as a stockholder, or as a member prior to its dissolution?

Mrs. GRANICH. I claim my constitutional privileges on that question also.

Mr. TAVENNER. When it was dissolved on March 25, 1941, did Intercontinent News continue as an unincorporated business under your direction and control?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment and refuse to answer that question.

Mr. TAVENNER. Was it operated by you, that is, the Intercontinent News, as an unincorporated business from April 1, 1941, when the contractual relationship between you and your Russian principal, Rudag, went into effect, and did you continue to operate it until June 17, 1944?

Mrs. GRANICH. I claim my constitutional privilege.

Mr. TAVENNER. I hand you what purports to be a photostatic copy of a registration statement bearing date of April 3, 1941, in which the name of the registrant appears as Grace Granich, doing business as Intercontinent News, purportedly signed by you.

Will you examine it and state whether it is a copy of a registration certificate or statement signed by you and filed by you?

(Mrs. Granich consults document.)

Mrs. GRANICH. I decline to answer. I claim my constitutional privilege under the fifth amendment.

Mr. TAVENNER. I desire to offer the registration statement in evidence and ask that it be marked "Grace Granich Exhibit No. 5."

Mr. DOYLE. It may be received and filed.

(The document referred to, marked "Grace Granich Exhibit No. 5," is filed herewith.)

Mr. MOULDER. Could you indicate and show her the signature on the photostatic copy and ask her the question as to whether or not that is a photostatic copy of her signature?

(Document handed to the witness and portion indicated by Mr. Owens.)

Mrs. GRANICH. I decline to answer that question, claiming my privilege under the fifth amendment.

Mr. TAVENNER. I now refer you to the registration statement in evidence as Budenz exhibit No. 8, which is a registration statement filed by you on October 1, 1942, under the name of Grace Maul, married name Grace Granich, this registration statement having been filed with the United States Department of Justice.

In the question appearing under item two as question G you are asked the name, address, and a brief description of the functions of every organization in the United States or elsewhere of which the registrant is or has been a member during the 2 years preceding the

filing of this registration statement. And in your answer to that question appears this language:

Until January 1, 1941, Communist Party, U. S. A., political party.

Will you examine Budenz exhibit No. 8 and state whether you made that reply to the question? [Handing document to the witness.]

Mrs. GRANICH. I decline to answer that question under my constitutional privilege.

Mr. TAVENNER. I notice that you made your reply without examining the exhibit which was handed you.

Mrs. GRANICH. I heard you read it.

(Mrs. Granich consults document.)

Mrs. GRANICH. I have examined it.

Mr. TAVENNER. Your answer is the same?

Mrs. GRANICH. My answer is the same. I claim my constitutional privilege.

Mr. MOULDER. Can you tell us, after reading it, what it is? You just read it—Can you tell us now what you read?

Mrs. GRANICH. You can read it for yourself. I am not reading it. I claim my constitutional privilege.

Mr. TAVENNER. Will you examine Budenz exhibit No. 8 and state whether your name is signed as the registrant?

(Mrs. Granich consults document.)

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Is that a photostatic copy of your signature?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. TAVENNER. If that statement were made by you as shown from the registration statement, was it true when made?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. TAVENNER. Well, were you a member of the Communist Party at any time after January 1, 1941?

Mrs. GRANICH. I claim my constitutional privilege under the fifth amendment.

Mr. TAVENNER. Mrs. Granich, there was testimony before the committee by Mr. Louis Budenz that the Intercontinent News, being operated by you as an unincorporated business, was subsidized from abroad, and, to be more specific, that it was subsidized by the U. S. S. R. Was that true?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. MOULDER. She should not be able to claim constitutional privilege—

Mrs. GRANICH. Under the fifth amendment I decline to answer the question.

Mr. TAVENNER. How were the expenses for the transmission of messages from your Russian principal paid?

Mrs. GRANICH. I decline to answer that question on the grounds that it might tend to incriminate me, claiming my privilege under the fifth amendment.

Mr. TAVENNER. Did you not send messages from the United States to your Russian principal requesting to be advised regarding various subjects?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment and decline to answer the question.

Mr. TAVENNER. How were the expenses of those messages borne?

Mrs. GRANICH. I claim my constitutional privileges on the same grounds.

Mr. TAVENNER. Is it not a fact that they were paid by your Russian principal, the U. S. S. R.?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Mr. Budenz informed the committee in his testimony that the services rendered by your organization would incur the annual expense of hundreds of thousands of dollars. In your judgment, is that a fair appraisal of the cost?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. KEARNEY. Was Mr. Budenz lying when he made that statement?

Mrs. GRANICH. I decline to answer your question, sir, on the same grounds.

Mr. TAVENNER. The method of dissemination of the material which you received from your Russian principal has been pretty accurately and fully described by Mr. Budenz, but I want to ask you whether or not in addition to the service which you rendered in the United States you also sent copies of the material to persons or organizations in South America?

Mrs. GRANICH. I decline to answer that question, claiming my privilege under the fifth amendment.

Mr. TAVENNER. The committee is in possession of information, Mrs. Granich, that the Intercontinent News, while operated as a corporation, was located in the Communist Party headquarters in New York City, but that on or about April 1, 1941, you were instructed to move your place of business to 799 Broadway. Is that correct?

Mrs. GRANICH. I decline to answer that question on the same grounds, claiming my privilege under the fifth amendment.

Mr. TAVENNER. Did you at any time permit the use of Intercontinent News as a mail drop for the transmission of messages to and from members of the Communist Party?

Mrs. GRANICH. I decline to answer that question, claiming my privilege under the fifth amendment.

Mr. TAVENNER. Did your organization, the Intercontinent News, or, was your organization, Intercontinent News, ever used as a mail drop for the receipt of material or information from any person intended for any member of the Communist Party or any official of the U. S. S. R.?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment and decline to answer the question.

(Mrs. Granich consults her counsel.)

Mr. MOULDER. Were you ever associated or connected with any newspaper in any capacity?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Did you ever engage in a plan by which mail or material was received or delivered to you for transmission by you to any member of the Communist Party or to any official of the United States Government?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Are you acquainted with Philip Jaffe?

Mrs. GRANICH. I decline to answer that question on the same ground.

(Representative Morgan M. Moulder left the hearing room at this point.)

Mr. TAVENNER. Are you acquainted with John Stewart Service?

Mrs. GRANICH. I claim my constitutional privileges.

Mr. TAVENNER. Were you in Washington in 1946?

Mrs. GRANICH. I decline to answer that question on the grounds that it might tend to incriminate me.

Mr. TAVENNER. Is it not a fact that in 1946 you were in the city of Washington in the company of Tung Pi Wu and three other Chinese Communists?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Is it not a fact that on that occasion you were able to locate Mr. John Stewart Service and arrange for a conference between the Chinese I mentioned and Mr. Service?

Mrs. GRANICH. I decline to answer that question on the grounds it might tend to incriminate me.

Mr. KEARNEY. If that were not true, would you so state?

Mrs. GRANICH. I didn't understand the question.

Mr. KEARNEY. If that question counsel asked you were not true, would you so state?

(Mrs. Granich confers with her counsel.)

Mrs. GRANICH. I decline to answer that question, too, on the same grounds.

Mr. TAVENNER. Were you acquainted with Jacob Golos?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Were you acquainted with Peter Christopher Rhodes?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Did you recommend Helen Tenney as a prospective member of the underground apparatus of the Communist Party to Jacob Golos?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. TAVENNER. Were you acquainted with Helen Tenney?

Mrs. GRANICH. I decline to answer that question also on the same grounds.

Mr. TAVENNER. Did you make application in 1946 for a passport to travel to China with your husband on the invitation of Madame Sun Yat-sen to come to Shanghai and assist her with her administrative work in connection with her activities?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. Are you acquainted with Nathan Gregory Silvermaster?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. William Ludwig Ullmann?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. Richard Bransten?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. Ruth McKenney?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. Owen Lattimore?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. Robert Hall?

Mrs. GRANICH. I claim my constitutional privileges under the fifth amendment.

Mr. TAVENNER. I have no further questions, Mr. Chairman.

Mr. DOYLE. Mr. Velde?

Mr. VELDE. No; I do not have any questions. But from the testimony of other witnesses here, Mrs. Granich, and my own personal knowledge, I know that you and your husband have been extremely dangerous to the security of this Nation in the past 15 or 20 years.

I am just wondering whether you feel right in your heart claiming the privilege under our Constitution when you know that you are not loyal to the United States of America.

Mrs. GRANICH. You see, Mr. Congressman, I know that I have been a very loyal citizen of the United States, that I have never engaged in espionage, that I have never done anything subversive, despite all the efforts of this committee to believe otherwise. So I have a very clear conscience.

Mr. VELDE. That is all.

Mr. KEARNEY. If that is so, then why do you refuse to answer the questions counsel has propounded to you, if you have nothing to fear?

Mrs. GRANICH. I think I am upholding the Constitution.

Mr. KEARNEY. In other words, you are hiding behind the fifth amendment, I know that. I understand that you and your husband operate a school in Vermont at the present time?

Mrs. GRANICH. Not a school; no, sir.

Mr. KEARNEY. What is it?

Mrs. GRANICH. We have a 2-months' summer recreation camp.

Mr. KEARNEY. And boys and girls attend that camp?

Mrs. GRANICH. That is right.

Mr. KEARNEY. What are their ages?

Mrs. GRANICH. From 6 to 12. Sometimes the boys are 13.

Mr. KEARNEY. Where is the camp located?

Mrs. GRANICH. Wilmington, Vt.

Mr. KEARNEY. Wilmington, Vt.?

Mrs. GRANICH. That is right.

Mr. KEARNEY. How many boys and girls do you have on an average in summer attendance?

Mrs. GRANICH. The camp is a new one. It has only been in operation a few years. We had 20 last year and 40 this year.

Mr. KEARNEY. Are there any subjects taught at those schools?

Mrs. GRANICH. No. It is not a school at all. We teach arts and crafts.

Mr. KEARNEY. These boys and girls, I take it, are members of all good American families?

Mrs. GRANICH. As far as I know. I don't ask their—

Mr. KEARNEY. You would know if they were not, would you not?

Mrs. GRANICH. They certainly don't do anything up there to indicate that they are not.

Mr. KEARNEY. That is all.

Mr. DOYLE. Mr. Jackson?

Mr. JACKSON. Mr. Budenz has testified that the Intercontinent News Service, as counsel has pointed out, was used for the purpose of transmitting Communist directives and instructions to the United States from the Soviet Union and in the other direction as well. Will you state whether or not the statement by Mr. Budenz is a true statement or a false statement?

Mrs. GRANICH. I claim my constitutional privileges again, Mr. Congressman.

Mr. JACKSON. Have you ever committed an act of espionage?

Mrs. GRANICH. I have not.

Mr. JACKSON. Mr. Budenz in his testimony makes the statement that the News Service which was headed by yourself and by Mr. Granich was established and set up, in effect, for the purpose of committing acts of espionage. Your two statements are entirely inconsistent, the one that you have never committed an act of sabotage or of disloyalty to this country and, on the other hand, the statement which is in evidence before this committee that one of the purposes, if not the prime purpose of the Intercontinent News Service, was to perform exactly that function.

(Mrs. Granich confers with her counsel.)

Mr. JACKSON. There is an inconsistency which, in justice to yourself, if you have never committed an act of sabotage or of treason should be on the record in the form of a statement from you. Is the statement correct, so far as the allegations against the Intercontinent News Service are concerned?

Mrs. GRANICH. I decline to answer that question.

Mr. JACKSON. Do you personally seek or advocate the overthrow of the Government of the United States by force and violence?

Mrs. GRANICH. I certainly do not.

Mr. JACKSON. You do not?

Mrs. GRANICH. I do not.

Mr. JACKSON. Do you approve of that doctrine as found in the courts of this land and practiced by definition by the Communist Party?

Mrs. GRANICH. That is two questions.

Mr. JACKSON. Do you believe that the Communist Party advocates the overthrow of the Government of the United States by force and violence?

(Mrs. Granich confers with her counsel.)

Mrs. GRANICH. I claim my constitutional privilege there.

Mr. JACKSON. But you do not advocate the overthrow of the Government by force and violence?

Mrs. GRANICH. I do not.

Mr. JACKSON. Do you advocate a change in the Government of the United States.

Mrs. GRANICH. I do not.

Mr. JACKSON. To what nation do you feel that you owe your allegiance?

Mrs. GRANICH. To the United States of America.

Mr. JACKSON. In case of a conflict between the United States of America and the Soviet Union, you would defend to the best of your ability the interests of the United States?

Mrs. GRANICH. If the United States is attacked by any country I would defend the interests of the United States. If the United States engages in an unjust war, I would do my best to bring that war to a conclusion.

Mr. JACKSON. Do you believe that the United States is engaged in an unjust war in Korea?

Mrs. GRANICH. I claim my privilege there.

Mr. JACKSON. You refuse to answer that question as to whether or not the United States is engaging in an unjust action in Korea?

(Mrs. Granich confers with her counsel.)

Mrs. GRANICH. I claim my privilege.

Mr. JACKSON. Would you report an act of sabotage observed by you and committed by a member of the Communist Party to the proper authorities?

Mrs. GRANICH. That is a very hypothetical question.

Mr. JACKSON. That is not a hypothetical question. If you saw a Communist blowing up a bridge and you knew him to be a Communist, would you report it?

Mrs. GRANICH. Yes.

Mr. JACKSON. You would report it immediately?

Mrs. GRANICH. It is an impossible question as far as I am concerned.

Mr. JACKSON. It is not an impossible question, it is one of the most fundamental questions with which we are confronted, espionage and sabotage by those who are determined to overthrow this form of government.

My personal feeling, Mrs. Granich, is that you have, for many years, been a member of the Communist Party, that you continue today to be a member of the Communist Party, and represent a constant and continuing menace to our institution and to our Government.

That is all, Mr. Chairman.

Mr. DOYLE. Are you now a member of the Communist Party?

Mrs. GRANICH. I claim my constitutional privilege.

Mr. DOYLE. Were you ever a member of the Communist Party of the United States?

Mrs. GRANICH. I claim my constitutional privilege under the fifth amendment and decline to answer the question.

Mr. DOYLE. You heard your husband's answer to my question when I asked him if you had gone with him to any foreign country. He said you had gone with him to China. Is that true?

Mrs. GRANICH. I claim my constitutional privilege.

Mr. DOYLE. You heard him state that, did you not? You were right here. I saw you within 10 or 12 feet of him.

Mrs. GRANICH. I claim my constitutional privilege.

Mr. DOYLE. At the time he so testified.

Mrs. GRANICH. I claim my constitutional privilege.

Mr. DOYLE. Did you go with him to any other foreign country other than China?

Mrs. GRANICH. I decline to answer that question on the same grounds.

Mr. DOYLE. Are you and he the parents of any children?

Mrs. GRANICH. No; I have no children.

Mr. DOYLE. Are you the mother of any child?

Mrs. GRANICH. I have no children.

Mr. DOYLE. The reason I ask that is—though it seems rather personal—because you and he have both testified that you are engaged in operating a children's camp.

Mrs. GRANICH. One can love children without having children.

Mr. DOYLE. Yes; I recognize that, both as a parent and a grandparent, which I happen to be.

With reference to the children's camp, I think you heard him testify yesterday, when you were close to him here in the hearing room, that you got \$300 from each child for 2 months.

Mrs. GRANICH. That is right. It varies from \$300 to some children who come for much, much less than that, if they cannot afford it. Some children pay \$310, to be precise.

Mr. DOYLE. Do you take children entirely free on the basis of charity?

Mrs. GRANICH. No; not entirely free. My two nephews come up there and don't pay.

Mr. DOYLE. That is quite natural, that you would not charge your nephews.

Mrs. GRANICH. Nobody else comes there.

Mr. DOYLE. How about a total stranger?

Mrs. GRANICH. Nobody else comes like that free.

Mr. DOYLE. No one else comes free except your own immediate relatives?

Mrs. GRANICH. That is right.

Mr. DOYLE. Does any person or any organization make any contributions to the support of the school?

Mrs. GRANICH. Nobody. It isn't a school—I correct you—it is a camp.

Mr. DOYLE. I beg your pardon, it is a camp. But I am sure I heard your husband state yesterday that you carried a list of instructors.

Mrs. GRANICH. No.

Mr. DOYLE. You say "No"?

(Mrs. Granich confers with her counsel.)

Mr. DOYLE. You heard his testimony all day yesterday. You were right here in the room.

Mrs. GRANICH. If he said a list of instructors, yes, I heard his testimony. He did not say we had instructors, he said we had counselors.

Mr. DOYLE. Counselors?

Mrs. GRANICH. These are high school kids who help the kids have a good time.

Mr. DOYLE. Do you pay the counselors?

Mrs. GRANICH. Some we pay a little, some a little more, some have their summer.

Mr. DOYLE. From what high school student bodies have you drawn any instructors?

Mrs. GRANICH. I don't know. I have never asked them what high schools they go to.

Mr. DOYLE. Never what?

Mrs. GRANICH. I don't know what high schools they go to.

Mr. DOYLE. What cities do they come from?

Mrs. GRANICH. New York, usually.

Mr. DOYLE. Tell me definitely the name of one counselor that you had last summer, and what that counselor counseled in, what subject. Tell me the name of one person.

(Mrs. Granich confers with her counsel.)

Mrs. GRANICH. Mr. Congressman, I have a great reluctance to name the names of any counselors because of the fact that this reaches the press, and that they smear the reputation of nice boys and girls.

Mr. DOYLE. You would not have any hesitancy in giving the names of your counselors in executive session, would you?

(Mrs. Granich confers with her counsel.)

Mr. DOYLE. You certainly keep a list of the counselors that you had last summer. I have conducted summer camps, and we certainly used to do that. We kept the names and their addresses and the salary they were paid and the subjects they taught. I have conducted camps of as many as 150 boys, so I know something about the orderly process of conducting a summer camp.

(Mrs. Granich confers with her counsel.)

Mr. DOYLE. I just assume, Mrs. Granich, that nothing possibly could incriminate you or any of the counselors by reason of the fact that they have been counselors at the camp.

Mrs. GRANICH. I decline to answer this question, claiming my privilege under the fifth amendment.

Mr. KEARNEY. Can I ask this question, Mr. Chairman?

Mr. DOYLE. Yes, Mr. Kearney.

Mr. KEARNEY. Would you give those names in executive session?

Mrs. GRANICH. I would still decline to answer.

Mr. KEARNEY. That is what I thought.

Mr. JACKSON. Mr. Chairman?

Mr. DOYLE. Mr. Jackson.

Mr. JACKSON. I would offer the suggestion that the committee go into executive session at this time.

(Mrs. Granich confers with her counsel.)

Mr. KEARNEY. I would like to ask one more question before that. I did not get your answer with reference to the question asked you by Congressman Jackson, concerning your thoughts on the so-called war in Korea today, or, police action, some people call it.

Mrs. GRANICH. I claim my constitutional privileges there.

Mr. KEARNEY. To follow the Congressman's thoughts, if you found an act of sabotage being committed by a member of the Communist Party, with particular reference to war material being sent to Korea, would you report it to the authorities?

Mrs. GRANICH. I would report an act of sabotage committed by anybody.

Mr. KEARNEY. Even though it was connected with the Korean war, your thoughts on which you refuse to answer with reference to constitutional rights?

Mrs. GRANICH. That is right.

Mr. DOYLE. Mrs. Granich, a few minutes ago in answering the Congressman's question, you said you had not engaged in any sub-

versive conduct. What, in your mind, is the definition of the word "subversive" conduct? You used it in answer to the question.

Mrs. GRANICH. Subversive? I would say anything that—

Mr. DOYLE. I cannot hear you.

Mrs. GRANICH. I would say that subversive was anything that undermined the Government of the United States, was subversive.

Mr. DOYLE. And what do you have in mind by "anything"?

Mrs. GRANICH. I don't have anything in mind. You asked me for a definition and I gave you a definition. Perhaps it is a poor definition. It is my definition.

Mr. DOYLE. By "undermining the Government of the United States" can you give us an example or illustrate what you mean by undermining?

Mrs. GRANICH. Well, I don't know.

Mr. DOYLE. What sort of conduct by a person do you mean?

Mrs. GRANICH. I claim my constitutional privilege there. I don't think I have to spell it out for you what is subversive and what isn't.

Mr. DOYLE. I did not mean to be impolite to you in asking you to define the definition of a word you used voluntarily.

Mrs. GRANICH. I would accept the standard definition of "subversive" as appears in Webster's Collegiate Dictionary.

Mr. DOYLE. What is that definition?

Mrs. GRANICH. I don't know exactly. I know what—

Mr. DOYLE. Will you take this paper, please, Mrs. Granich, and will you please sign your name as you ordinarily sign it on that paper?

(Mrs. Granich confers with her counsel and writes on paper.)

Mr. DOYLE. Now will you please print your name as you would print it when you are asked to print it, just Grace Granich.

(Mrs. Granich writes on paper.)

Mr. DOYLE. Thank you. Of course, the reason I asked you to do that was, among other reasons, because you have refused to identify your own signature on Budenz exhibit 8, on page 8, where it appears that someone by the name of Grace Granich signed and swore to her name before a notary public, Fay Siegartel, November 3, 1942.

I would like to offer this signature Mrs. Granich has just made in open hearing as an exhibit.

Mr. TAVENNER. I suggest it be given "Grace Granich exhibit No. 9."

(The document above referred to, marked "Grace Granich exhibit No. 9." is filed herewith.)

Mr. DOYLE. I also offer that in connection with her declamation or her claiming her privilege in relation to the different passport applications.

Mrs. Granich, do you have a list of the counselors who were at your camp last summer?

Mrs. GRANICH. I don't now, sir.

Mr. DOYLE. I understand you would not have it with you; but where is the list? You have it at the farm, do you not?

Mrs. GRANICH. Probably.

Mr. DOYLE. Do you or don't you?

Mrs. GRANICH. Yes.

Mr. DOYLE. And payrolls, too, for last summer's counselors?

(Mrs. Granich confers with her counsel.)

Mrs. GRANICH. Yes; I have payrolls.

Mr. DOYLE. And the addresses of the counselors are on that list, of course, so that you can communicate with them by letter or by phone; are they not?

Mrs. GRANICH. I don't know whether I have all the addresses or not.

Mr. DOYLE. Well, you may not have all, but most of the addresses, of course?

Mrs. GRANICH. I think so; yes.

Mr. DOYLE. You know right where that list is now; you keep it in a definite place, of course, in the records of the camp, do you not?

Mrs. GRANICH. My records are not such carefully kept records. I don't know exactly where it is.

Mr. DOYLE. Well, it is not where the children could have taken it or removed it, is it?

Mrs. GRANICH. Probably not.

Mr. DOYLE. In fact, you have seen it and had it in your possession within the last 2 or 3 months, have you not?

(Mrs. Granich confers with her counsel.)

Mr. DOYLE. What is your answer, Mrs. Granich?

Mrs. GRANICH. I am very sorry, but you will have to repeat the question.

Mr. DOYLE. I think my question was directed to whether or not you had the list in your possession since the last summer camp.

Mrs. GRANICH. Yes; I have the list.

Mr. DOYLE. In other words, you know where it is now?

Mrs. GRANICH. I think I can find it; yes.

Mr. DOYLE. Then the committee will go into executive session at this time; and Mrs. Granich, you are directed to remain available, because we will only be in executive session I think a few minutes, and we would like for you to be here where we can call you into executive session, you and your counsel.

Mr. REIN. We will be just outside.

Mr. DOYLE. And all visitors and people who are not under subpoena will please leave the room, including Mrs. Granich and counsel, temporarily.

(Whereupon, at 11:40 a. m., the committee proceeded into executive session.)

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