

REFUTATIONS AND REBUTTALS

COUNCIL ON FOREIGN RELATIONS, INC.,
New York, N. Y., December 30, 1952.

Mr. HAROLD M. KEELE,
House Office Building, Washington, D. C.

DEAR MR. KEELE: In reading over the testimony of Mr. Alfred Kohlberg on December 17, 1952, before the Select Committee To Investigate Tax Exempt Foundations and Comparable Organizations, I have noted a number of misstatements of fact with respect to the Council on Foreign Relations. I hope you will include this letter in the committee's record so that these misstatements will be corrected.

Mr. Kohlberg states, page 1526, volume 15 of the hearings, that "The Council on Foreign Relations * * * is very little infiltrated, but is infiltrated." On page 1536 he indicates that this presumed infiltration is "at the staff level." Many of the members of the council's board of directors have taken an active part in its work and have had an opportunity to become well acquainted with all of the leading members of its staff. Many of the members of our board have not only served on the council's standing committees, but also as chairmen, secretaries, or members of our study and discussion groups. For example, this past year I have been chairman of the council's committee on studies, which is charged with the initiation and supervision of its research and publication program and which approves all council books. I was also chairman of its committee on policy, which was established to appraise the council's program and to make recommendations for its future, and of the council's study group on Anglo-American relations. As a result of my constant participation in council activities, I know well all of the leading members of the council's staff and have observed nothing to indicate that any of them are "infiltrated." I am definitely clear that all of them are patriotic Americans.

On page 1537 Mr. Kohlberg states that he spoke to one of the trustees of the council about the council's annual survey of American foreign relations, which is entitled "The United States in World Affairs" and which Mr. Kohlberg called "American Foreign Policy." He stated that the 1950 volume said "that McCarthyism and the China Lobby were one of the prime causes that brought the Chinese Communists into the Korean war late in 1950." Mr. Kohlberg's statement is not correct. No such statement is in the book. Also I would like to add that the volume as a whole is principally concerned with the extremely serious problems created for the United States by the aggressive policies of the Soviet Union and the Communist governments under its influence. The gravity of the Soviet-Communist threat to the United States and to the entire free world is strongly emphasized both in the introductory chapter and throughout the volume. I would also like to call your attention to the following statement which appears in all council books and immediately after the title page of the 1950 volume of "The United States in World Affairs": "The authors of books published under the auspices of the council are responsible for their statements of fact and expressions of opinion. The council is responsible only for determining that they should be presented to the public." I should add that the council's committee on studies endeavors to insure that misstatements of fact do not appear in council publications.

Mr. Kohlberg, on page 1538 of his testimony, stated that the United States in World Affairs is subsidized by either the Carnegie or Rockefeller Foundations. The volume is paid for out of the general research funds of the council. In the fiscal year ending July 31, 1952, the general research expenses of the council, not including special projects separately financed by special grants, amounted to \$133,251. The only foundation contribution to the council's general research program, as distinct from special projects, was a grant of \$35,000 from the Carnegie Corp.

On page 1536 of his testimony Mr. Kohlberg states with respect to the Council on Foreign Relations: "I think that if the men who belonged to that had put up

their own money to make what studies they made or write what histories they wrote they would have been much more careful about them." In this connection I point out that during the fiscal year ending July 31, 1952, dues of the council members amounted to over \$60,000, while contributions of over \$33,000 were made by members and corporations.

During the present fiscal year, in addition to dues, over \$25,000 has been contributed by the council's board of directors, and an appeal has just been sent to all members for an additional \$100,000 to make up the deficit for fiscal year 1951-52 and to eliminate the prospective deficit for fiscal year 1952-53.

In view of the testimony on pages 1542 and 1543, I would like to state that the Council on Foreign Relations was not organized at the instance of the State Department. Actually, it was formed in 1921 from the merger of two organizations—the Council on Foreign Relations, a New York dinner group created in 1918 to entertain distinguished foreigners coming to America in connection with the conduct of the war and the making of the peace, and the Institute of International Affairs, founded at Paris in 1919 by a group of men at the Versailles Peace Conference, who concluded that a nongovernmental organization for the study of international affairs was badly needed. The council has always been completely independent of Government and has never received any subsidies from Government, but it is always anxious to be helpful to the Government whenever possible.

I shall appreciate very much your putting this letter in the committee's record.
Sincerely yours,

HENRY M. WRISTON, *President.*

NEW REPUBLIC,
Washington, D. C., December 23, 1952.

Mr. HAROLD M. KEELE,
Counsel, Select Committee To Investigate Tax-Exempt Foundations and Comparable Organizations, House of Representatives, Washington, D. C.

MY DEAR MR. KEELE: The transcript of hearings before the select committee of December 22, 1952, records the following testimony given under oath by Mr. Maurice Malkin:

"Michael Straight has been used, originally started using him on the so-called Committee Against, that was organized to combat the John Dewey Committee that was collaborating with the Trotskyists to defend the Moscow trials, that is, those were purged in the trials. In fact, they were favoring the Trotsky group.

"Now the Communist Committee under the leadership of Carlton Beal and a few more with Michael Straight was organized to try to convince this committee that they're wrong.

"That was strictly Communist Committee organized under the direction of the C. I. representative. And since then has been in every Communist front practically, most important Communist fronts since its inception.

"* * * I doubt very much whether he is actually a card-carrying Party member, because with my experience in the Party I doubt that he was that type that would actually bind himself by card-carrying discipline, but I might be wrong. Many things happen."

Concerning first the "John Dewey Committee" and the "Communist Committee" that was created to oppose it. I assume that the Dewey Committee was created during the trials of 1936 and 1937 and I assume that a counter-committee was established during that period. If these are the facts, they are unknown to me. I was during 1936 and 1937 an undergraduate at Cambridge University in England and a resident of Devonshire, England. I returned to this country late in 1937 and played no part whatever in this or any other political controversy. I was, in fact, 20 years old at the time. It is inconceivable to me that I could have been listed as a sponsor of any Communist committee. If I was so listed, it was most certainly without my knowledge or consent. I have endeavored to obtain the facts on this matter and I am quite certain that they will confirm that I was not a member or a sponsor of any such committee.

Concerning the further statements by Mr. Malkin, that I have belonged to every Communist front, I wish to state that this is wholly without foundation. I have, in fact, belonged to no Communist front. Accounts in the New York Times and other newspapers which I will be glad to provide the committee will attest to my activities in opposing the Communist Party in such organizations as the American Veterans Committee and the Americans for Democratic Action, as will numerous editorials in the New Republic under my editorship.

I will be very happy to provide the committee with any additional information they may desire on this matter, and, of course, to repeat any of these statements under oath.

Sincerely yours,

MICHAEL STRAIGHT.

Mr. HAROLD M. KEELE,

General Counsel, Select Committee To Investigate Foundations.

DEAR MR. KEELE: In my testimony for your committee on December 22, I named one Michael Straight as a fellow traveler or front man for communism. After a close check of my papers and documents, I find that I have been mistaken in naming Mr. Straight with a Mr. Robert Strong or Michael Strong who was a close and trusted party follower since 1931 and up to 1939 whose name also appears as the author of articles in the party publications such as the Labor Defender and other Communist publications.

I therefore wish to correct the record of your committee report and eliminate and repair any harm to a man of whom I know nothing about.

Yours truly,

MAURICE MALKIN.

THE FIELD FOUNDATION, INC.,
New York, December 29, 1952.

Hon. HAROLD M. KEELE,

General Counsel, Select Committee To Investigate Foundations and Other Organizations, House Office Building, Washington, D. C.

DEAR MR. KEELE: This will confirm the telegram which I sent earlier this afternoon. I am requesting the Select Committee To Investigate Tax Exempt Foundations, in the preparation of its report, to take note of and make part of the record my statement of last Tuesday afternoon, December 23, to the press, as follows:

"Louis S. Weiss was secretary and a member of the board of the Field Foundation until his death November 13, 1950. At that time the foundation stated in a tribute published in the foundation's annual report that "his (Weiss) sympathies for the oppressed, his passion for justice, and his faith in American democracy were the touchstones of his entire life." The statement that Mr. Weiss was a Communist is completely untrue and without foundation in fact."

A press report of the Budenz testimony, which was telephoned to me December 23 and which also appeared in various newspapers, stated that it was testified that Frederick Vanderbilt Field was associated with the Field Foundation. I wish to call attention in this connection to that part of my statement which said that "Frederick Vanderbilt Field is not connected with the Field Foundation, Inc., and never has had any connection or association of any sort with the Field Foundation. Marshall Field, president of the Field Foundation, since its founding in 1940, is not related to Frederick Vanderbilt Field and has never met the man. Neither has any other member of the foundation board or staff to the best of my knowledge."

I shall appreciate very much inclusion of my statement in reference to Louis S. Weiss and to Frederick Vanderbilt Field in the report of the select committee.

Sincerely yours,

MAXWELL HAHN.

YALE UNIVERSITY, SCHOOL OF LAW,
New Haven, Conn., December 26, 1952.

SPECIAL HOUSE COMMITTEE INVESTIGATING TAX-EXEMPT FOUNDATIONS,
House of Representatives, Washington, D. C.

GENTLEMEN: I have not yet been able to obtain a transcript of the testimony of Louis Budenz before your committee charging me with having been a member of the Communist Party. Hence the information now available to me concerning his testimony is based upon newspaper reports. I am writing this letter at this time, however, in order that it may be included in the record before the expiration of your committee with the close of the Eighty-second Congress.

I have never been, and am not now, a member of the Communist Party. I have made this statement under oath on numerous occasions, including two voluntary appearances before congressional committees.

Nor have I ever been under the discipline, domination, or control of the Communist Party. On the contrary I have differed openly and publicly with the

Communist Party on many basic issues throughout my career, including the Nazi-Soviet pact, the Soviet invasion of Finland, lend-lease, the Marshall plan, the North Korean aggression against South Korea, the right of all groups to civil liberties, and the whole philosophy and practice of totalitarianism.

My position has always been that of an independent liberal. I have never been willing to have any person or group determine my stand on questions of public policy.

I request that this letter be included in the printed record of the proceedings before your committee.

Sincerely,

THOMAS I. EMERSON.

NEW YORK, N. Y., December 31, 1952.

HON. BROOKS HAYS,
Chairman, Special House Committee,
House Office Building, Washington, D. C.:

According to press reports, Budenz testified before your committee that I was a member of the Communist Party. This is an absolute lie without any foundation and facts. I regret that I was not given an opportunity to testify before your committee. I appeal to you for the opportunity of so testifying. In any event, please include this telegram in the published record of your committee.

CLARK FOREMAN,
421 Seventh Avenue, New York City.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE TO INVESTIGATE FOUNDATIONS
AND OTHER ORGANIZATIONS,
Washington, D. C., January 10, 1953.

Mr. CLARK FOREMAN,
421 Seventh Avenue, New York, N. Y.

DEAR SIR: During the morning of January 1, 1953, the following telegram was received at the offices of the committee:

NEW YORK, N. Y., December 31, 1952.

HON. BROOKS HAYS,
Chairman, Special House Committee,
House Office Building, Washington, D. C.:

According to press reports Budenz testified before your committee that I was a member of the Communist Party. This is an absolute lie without any foundation and facts. I regret that I was not given an opportunity to testify before your committee. I appeal to you for the opportunity of so testifying. In any event, please include this telegram in the published record of your committee.

CLARK FOREMAN,
421 Seventh Avenue, New York City.

I direct your attention to the following:

1. Testimony of Louis Budenz was taken before the committee on Tuesday, December 23. His testimony was given wide publicity in the public press on Tuesday, December 23, and Wednesday, December 24.
2. Of those named by Budenz four persons, Walter Gellhorn, Ira D. A. Reid, Thomas I. Emerson, and you, registered protests or made formal denials.
3. Walter Gellhorn and Ira D. A. Reid appeared at their own request before the committee and gave testimony under oath on December 30. Thomas I. Emerson addressed a letter to the committee under date of December 26, and requested publication of the same but did not offer to appear before the committee. Your telegram carries a dateline of 5:15 p. m., December 31, and the receiving stamp shows that it was received at the Washington offices of Western Union at 6:18 p. m., December 31.
4. Resolution 561, which created the committee, required that the committee's report be filed on or before January 1, 1953. You waited 8 days and until 5 p. m. on the evening before the day the report was due to be filed to express regret that you had no opportunity to testify before the committee and to appeal for an opportunity to do so.

5. According to the press, on January 3, 1953, the very day on which the committee's life terminated as of 11:59 a. m., you issued a statement to the press calling attention to the fact that you had asked on December 30 for an opportunity to appear before the committee.

It seems to me that the conclusion is inescapable that you deliberately waited until it was too late to afford you an opportunity to appear before the committee to make any protest; that you deliberately misrepresented to the press the date of your communication to the committee; that you chose to wait until such time as you would not have to make an oath to deny statements made under oath, and then resorted to the device of a telegram, which has not yet been confirmed by letter. In view of the action of Walter Gellhorn and Ira D. A. Reid, I can only conclude that you dared not appear and testify under oath. An opportunity to do so would have been given you, as it was given others, had you made such a request in due time. Under the circumstances, and in fairness to Gellhorn and Reid, I think it must be said that your action in delaying until the evening of December 31 to communicate with the committee, offers persuasive evidence of your reluctance to testify under oath and gives credence to the statement of Louis Budenz.

At the direction of the acting chairman, your unconfirmed telegram will be included in the record of the proceedings.

Very truly yours,

HAROLD M. KEELE.

NEW YORK, N. Y., December 30, 1952.

HON. BROOKS HAYS,

Chairman, Select Committee To Investigate Foundations,

House of Representatives, New House Office Building, Washington, D. C.:

I have known Walter Gellhorn for a great many years, and when I was general counsel and later Chairman of National War Labor Board in New York, where he did an outstanding job with firmness, ability, and impartiality. Knowing him as I do, I simply cannot give credence to Budenz' testimony and I hope very much that your committee will not further impair Gellhorn's standing in the community by naming him in your report. I have also great confidence in Ira Reid, chairman of department of sociology at Haverford College. I first knew him some 20 years ago when he was on the staff of the National Urban League and I was its treasurer. I was president of the league from 1947 to 1952 and in that capacity had further occasion to meet with Dr. Reid and to learn of his reputation which has been of the very highest as to both his ability and his Americanism. I believe it would be a real injustice to him to dignify the unsupported accusation against him.

LLOYD K. GARRISON.

STATEMENT BY ISAAC DON LEVINE TO SPECIAL HOUSE COMMITTEE ON FOUNDATIONS

I fear that an unfortunate and wrong impression has been widely created by the press and radio reports of Mr. Alfred Kohlberg's testimony before this committee, an impression which is unfair to Secretary of State-designate John Foster Dulles and misleading as to my view of Mr. Whittaker Chambers. A few facts should be presented to correct the record.

1. Alger Hiss learned in September 1939, within a few days after I had brought Mr. Chambers to the home of Assistant Secretary of State Adolf Berle, that his name was on the list of Soviet agents submitted in my presence by Mr. Chambers to Mr. Berle. In accordance with the ironclad rule of the Soviet espionage system, Hiss immediately became inactive, i. e., he turned into what is known as a "sleeper." The role assigned to a "sleeper," after he severs all ties with the underground, is to lull everybody into a false sense of security. This role Hiss played well, as we know from the testimony of such anti-Communist conservatives as Mr. Stanley Hornbeck, who testified in court in defense of Hiss. With the possible exception of some steps taken by Hiss at the Yalta Conference, in the presence of his hero, Stalin, the behavior of Hiss from 1939 on was so circumspect that it is no wonder that many leading patriotic citizens could not believe the rumors about him.

2. In 1946, when Mr. Kohlberg first learned from me about Hiss, I did not know that Whittaker Chambers had the pumpkin papers. Chambers had told me in the summer of 1939, when I asked him what documentary evidence he had

to back up his story of the truth of which I was convinced, that he had destroyed all such evidence. I do not criticize him for withholding the information from me, considering the circumstances under which he lived then. But when Mr. Kohlberg informed me of his interview with Mr. Dulles about the Hiss appointment to the Carnegie Endowment post, I told him that there was no material evidence to support the Chambers charges, and that it would all come down to one man's word against another's, that of Mr. Chambers against Mr. Hiss.

3. My alleged description of Mr. Chambers "in unflattering terms" related only to his unprepossessing physical appearance. I said, if memory serves me right, that an admitted ex-Communist and ex-Soviet agent would not make as good an impression as the debonair Mr. Hiss who then enjoyed the confidence of many ranking State Department officials.

ISAAC DON LEVINE.

WASHINGTON, D. C., December 22, 1952.

DIGEST OF STATE REGULATIONS

(The following is a digest of a manuscript written by Eleanor K. Taylor, associate professor in the School of Social Work, State University of Iowa. Miss Taylor began preparation of this material as a doctoral dissertation. In the course of the research the manuscript came to the attention of the Russell Sage Foundation. The foundation employed Miss Taylor to revise her study into one primarily designed to serve the interests and needs of Government officials, foundation officers and trustees, lawyers, and legislators interested in discovering the present facts as to the accountability of foundations and charitable trusts and working out a better future solution. For special assistance on legal aspects of this study the foundation retained Ray Garrett, chairman of the committee on corporate laws of the American Bar Association.)

REGULATION OF CHARITABLE CORPORATIONS

While the trust is created by will or trust instrument, the incorporated foundation is created by legislative grant in the form of a corporate charter. Charters may be granted by special acts of the legislature or by administrative officials under the provisions of general corporation statutes.

American philanthropy has characteristically taken the form of endowments held by corporate directors granted power through a charter. The statutes governing the issuance of a charter vary from jurisdiction to jurisdiction. The person usually responsible for issuing a charter is the secretary of state. Sometimes the application is little more than the filing of appropriate papers with this official. Sometimes provision is made for a public notice, such as the appearance of the name of the organization and its incorporators in some official list, the lapse of a stipulated number of days before the application may be approved, or other routine measures. Sometimes officials other than the one responsible for issuing the charter are supposed to carry on an investigation of the proposed organization to assure that its purposes are those purported in the application and that the individuals seeking the incorporation are responsible persons.

CHARTER ISSUANCE IN NEW YORK AND PENNSYLVANIA

The New York and Pennsylvania legislation are somewhat different. In New York the secretary of state is the official responsible for issuing the charter. However, a justice of the supreme court must approve the application prior to the issuance of a charter. This provision would appear to be a kind of licensing. Yet a search of citation sources indicates that charters are rarely contested. Only two of the six charters recently withheld were incorporated foundations. The others were those of associations claiming to be social or recreational groups having benevolent purposes. In three instances, however, suspicions aroused because of the name of the proposed organization seemed to have caused a review of the circumstances.

Pennsylvania has somewhat comparable provisions for investigation of the proposed organization prior to the granting of a charter. These are, however,