

**CONFIRMATION OF DANIEL D. MOORE
TO BE COLLECTOR OF INTERNAL REVENUE**

HEARINGS
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
SEVENTY-THIRD CONGRESS
SECOND SESSION

ON
CONFIRMATION OF DANIEL D. MOORE, OF NEW ORLEANS, LA.,
TO BE COLLECTOR OF INTERNAL REVENUE

APRIL 4 TO APRIL 13, 1934

REVISED

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CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

WEDNESDAY, APRIL 4, 1934

UNITED STATES SENATE,
COMMITTEE OF FINANCE,
Washington, D.C.

The committee met, pursuant to call, at 10 a.m., in room 312, Senate Office Building, to consider further the matter of the confirmation of D. D. Moore to be collector of internal revenue at New Orleans, for the District of Louisiana, Senator Pat Harrison presiding.

Present: Senators Harrison (chairman), King, George, Barkley, Connally, Costigan, Clark, McAdoo, Byrd, Lonergan, Reed, Couzens, Keyes, La Follette, Hastings, and Walcott.

Also Present: Senator Long, Mr. D. D. Moore, Mr. Edward Rightor, counsel for Mr. Moore, Mr. W. J. Lambert, counsel for Mr. E. R. Bradley.

The CHAIRMAN. The committee will come to order. The committee desires to proceed as rapidly as possible, because, when the Senate convenes at 12 o'clock, the committee will adjourn, and so it is hoped that the witnesses will testify right to the point, and that we can expedite the hearing as much as possible. Senator Long, do you want to proceed first?

Senator LONG. Well, I suppose I would.

The CHAIRMAN. All right.

Senator LONG. Wouldn't I?

The CHAIRMAN. You may proceed.

Senator LONG. I would like to have my witnesses called. I have been trying to get them located. It seems like they had some difficulty in finding their way, some of the, around this building, and locating this room.

The CHAIRMAN. Mr. E. R. Bradley. Is Mr. Bradley here? [No response]. Mr. Frank Sullivan?

Mr. SULLIVAN. Here.

The CHAIRMAN. Mr. Maurice V. Gatlin? Mr. P. R. Lenoux?

Mr. LENOUX. Here.

The CHAIRMAN. Miss Ruth Roddy?

Miss RODDY. Here.

The CHAIRMAN. Mr. Harry Seiner?

Mr. SEINER. Here.

The CHAIRMAN. Mr. H. A. Henderson?

Mr. HENDERSON. Here.

The CHAIRMAN. Mr. Joe Williams? [No response.] Frank Manning? [No response.] Mr. Raymond H. Fleming? Mr. Abraham Solomon?

Mr. SOLOMON. Here.

Senator LONG. Which ones did not answer?

The CHAIRMAN. Mr. Bradley did not answer, but I understood that Mr. Bradley is here. Mr. Gatlin did not answer.

Senator LONG. I had another witness that came in, that I did not get a summons issued for.

The CHAIRMAN. And Mr. Joe Williams did not answer, or Frank Manning.

Senator LONG. Is Mr. Cushing here, of the American Federation of Labor? Mr. William McDonald, Mr. Chairman, had just got in. I wanted to ask for summons to be issued for him.

The CHAIRMAN. All right.

Senator LONG. I only got him up here last night. William McDonald, from New Orleans. I would like to have summons issued.

The CHAIRMAN. Is he here?

Senator LONG. I had him to come.

The CHAIRMAN. All right. Issue the subpoena.

Senator LONG. But will he be able to get his transportation, coming without summons? I hope he can.

The CHAIRMAN. I will submit that to the committee.

Senator LONG. Well, I will start with him, because he has got to go right back. Call Mr. McDonald. That is the witness I wish you to summon. Come around, Mr. McDonald.

STATEMENT OF WILLIAM McDONALD

(The witness was duly sworn by the chairman).

Senator LONG. What is your occupation, Mr. McDonald?

Mr. McDONALD. Foreman mechanic for the dock board.

Senator LONG. Where? New Orleans?

Mr. McDONALD. Yes, sir.

Senator LONG. How long have you been in that position?

Mr. McDONALD. Fifteen years.

Senator LONG. Under whose administration did you take that job?

Mr. McDONALD. Under Governor Parker.

Senator BARKLEY. What was the place? I did not get the position.

Mr. McDONALD. Foreman mechanic for the dock board.

Senator LONG. City of New Orleans?

Mr. McDONALD. City of New Orleans.

Senator LONG. He was employed under Governor Parker, and has been there ever since?

Mr. McDONALD. Ever since.

Senator LONG. Do you know Miss Evelyn Flattery?

Mr. McDONALD. Yes, sir.

Senator LONG. Do you live near where she lives?

Mr. McDONALD. Yes, sir.

Senator LONG. Where do you live—she and yourself?

Mr. McDONALD. I live at 228 Atherton Drive.

Senator LONG. And she lives where?

Mr. McDONALD. 222.

Senator LONG. Do you live together there? Do you live together at the same house, or anything of the kind?

Mr. McDONALD. Yes, sir.

Senator LONG. Any connection between the families of you and Miss Flattery? If so, state what it is.

Mr. McDONALD. Cousin by marriage.

Senator LONG. Who else lives there where you and Miss Flattery live?

Mr. McDONALD. Her aunt.

Senator LONG. Where do you eat your meals, you and Miss Flattery? Do you eat them in opposite houses, or in the same house?

Mr. McDONALD. In the same house, 222.

Senator LONG. Same house? What is Miss Flattery's present occupation? Where does she work, Mr. McDonald? If you know, state.

Mr. McDONALD. She works at the internal revenue office as a stenographer.

Senator LONG. Is that all the place she works?

Mr. McDONALD. And, several afternoons, she works at Colonel Sullivan's office.

Senator LONG. At this time? I mean, during the last few weeks.

Mr. McDONALD. Well, yes; the last few weeks.

Senator LONG. In other words, she works in both places, Internal Revenue and in Colonel Sullivan's? You can have the witness.

The CHAIRMAN. Well, Mr. McDonald, you say you live close to Miss Flattery?

Mr. McDonald. Yes, sir; right next door. The houses join each other.

The CHAIRMAN. You are not related to her in any way?

Mr. McDONALD. Cousin by marriage.

The CHAIRMAN. You are a cousin by marriage? How often do you see her, did you say?

Mr. McDONALD. Every day.

The CHAIRMAN. Every day? And you state on oath that she now works in the Internal Revenue office as well as in the offices of Mr. Sullivan?

Mr. McDONALD. At times; yes.

The CHAIRMAN. What do you mean by "at times"?

Mr. McDONALD. She works—she is employed—at the Internal Revenue office, and on several occasions she has been working in Colonel Sullivan's office after hours.

The CHAIRMAN. Within the last 3 weeks?

Mr. McDONALD. Within the last 3 weeks.

The CHAIRMAN. She formerly worked for Mr. Sullivan, you say?

Mr. McDONALD. She worked for Mr. Sullivan and the Hibernian Homestead Association.

The CHAIRMAN. Do you know what kind of work she does at the Internal Revenue office?

Mr. McDONALD. Stenographic work.

The CHAIRMAN. Stenographic?

Mr. McDONALD. I think it is. I am not quite positive.

The CHAIRMAN. Is she here?

Mr. McDONALD. I really do not know.

Senator LONG. Yes, sir; she has been summoned and brought by the opposition.

The CHAIRMAN. Any questions?

Senator LONG. I just want to develop——

Senator BARKLEY. Let me ask.

Senator LONG. Yes.

Senator BARKLEY. Go ahead and finish.

Senator LONG. No; that is all right.

Senator BARKLEY. Would you be able to say how often, how many days out of the week, she goes to Mr. Sullivan's office after she finishes at the Internal Revenue office?

Mr. McDONALD. No, sir, I would not; but I know as a matter of fact that her aunt has had my wife to call her after hours and find out where she would be, because she would be late for her getting home for dinner, and on several occasions, called up there, and found her there.

Senator BARKLEY. Is she a good stenographer?

Mr. McDONALD. Yes, sir.

Senator BARKLEY. Do you know what she gets as a stenographer in the Internal Revenue office?

Mr. McDONALD. No, sir; I do not.

Senator BARKLEY. Do you know if she is paid anything by Mr. Sullivan? If so, how much?

Mr. McDONALD. I do not know.

Senator BARKLEY. Has she ever told you anything about what she gets for this extra work?

Mr. McDONALD. No, sir.

Senator BARKLEY. You do not know whether she gets anything or not?

Mr. McDONALD. I do not. I do not think so. She has never stated that she got anything from Colonel Sullivan, or not. I could not say that.

Senator BARKLEY. Is she a competent woman?

Mr. McDONALD. Very much.

Senator BARKLEY. Very competent?

Mr. McDONALD. Yes, sir.

Senator BARKLEY. You think that her services in any capacity, whether she is employed by the Government or in private, would be acceptable and satisfactory to her employer?

Mr. McDONALD. Yes, sir.

Senator BARKLEY. She is a woman of good reputation?

Mr. McDONALD. Yes, sir.

Senator BARKLEY. That is all.

Senator KING. What did she do in Colonel Sullivan's office, if you know?

Mr. McDONALD. I could not say.

Senator KING. Did you ever see her in the office?

Mr. McDONALD. No, sir.

Senator KING. How do you know she was there?

Mr. McDONALD. Called her up on the telephone.

Senator KING. You?

Mr. McDONALD. No, sir. My wife has called her up there and found her there.

Senator KING. In your presence?

Mr. McDONALD. Yes, sir.

Senator KING. How many times has your wife called her up?

Mr. McDONALD. Well, I couldn't say.

Senator KING. In your presence?

Mr. McDONALD. I think about half a dozen times.

Senator KING. What did she do in Colonel Sullivan's office, if you know?

Mr. McDONALD. How is that?

Senator KING. What did she do in Colonel Sullivan's office, if you know?

Mr. McDONALD. I really don't know.

Senator KING. Stenographic work?

Mr. McDONALD. I suppose so.

Senator KING. You have no knowledge?

Mr. McDONALD. I have no knowledge at all.

The CHAIRMAN. You work for the dock board now?

Mr. McDONALD. Yes, sir.

The CHAIRMAN. Any questions, Mr. Moore?

Senator LONG. I would like to ask him just 1 or 2 more, if you please.

The CHAIRMAN. All right.

Senator LONG. Does Miss Flatters call you when she comes home, that she has come from Colonel Sullivan's office?

Mr. McDONALD. She has told me, yes.

Senator LONG. Does she get to supper? I say "supper"; maybe you call it "dinner". What I refer to is the late meal, 6 or 7 o'clock. Do you call that "supper" or "dinner"?

Mr. McDONALD. Dinner.

Senator LONG. You call that "dinner"? All right. Does she get there, sometimes, very late—say as late as 6, or 7, or 8 o'clock?

Mr. McDONALD. She gets there long after our dinner hour is over.

Senator LONG. And has she at any time explained where she has been?

Mr. McDONALD. Yes, sir. She explains that to her aunt.

Senator LONG. Where does she say she has been?

Mr. McDONALD. Working in Colonel Sullivan's office.

Senator LONG. That accounts for her being late for dinner?

The CHAIRMAN. That is all.

Senator BARKLEY. Did she say whether she did that voluntarily or whether somebody made her do it?

Mr. McDONALD. I do not know. She has never expressed that in my presence. She may have told her aunt that.

Senator BARKLEY. What kind of an office is this Sullivan office you spoke of?

Mr. McDONALD. It is an attorney's.

Senator BARKLEY. Law office?

Mr. McDONALD. Law office.

Senator BARKLEY. All right.

The CHAIRMAN. Well, Mr. Moore, you or Mr. Rightor? Does Mr. Rightor represent you, Mr. Moore?

Mr. MOORE. Yes.

Mr. RIGHTOR. Mr. McDonald, how long has this young lady lived with you?

Mr. McDONALD. Lived with me? She doesn't live with me. She lives with her aunt. She has lived with her aunt close onto about 20 years, I could say.

Mr. RIGHTOR. You know her very well?

Mr. McDONALD. Yes, sir.

Mr. RIGHTOR. You consider her an honorable, conscientious woman?

Mr. McDONALD. Yes, sir.

Mr. RIGHTOR. Anything she stated, you would take as true?

Mr. McDONALD. Yes, sir.

Mr. RIGHTOR. That is all.

Senator LONG. That is all.

The CHAIRMAN. Any other questions?

Senator LONG. Well, Mr. McDonald, you are seated, now, across the table from Mr. Moore. Do you know Mr. Moore, sir [indicating]?

Mr. McDONALD. No, sir; I do not.

Senator LONG. Do you know Colonel Sullivan, seated right to his left?

Mr. McDONALD. I do know him not personally, but I know of him.

Senator LONG. He is seated there. That is Colonel Sullivan, seated over there by Mr. Moore. That is all.

Senator BARKER. You are seated opposite to Senator Long.

Senator LONG. That ought not to be his seat.

The CHAIRMAN. All right, Mr. McDonald.

Who is the other?

Senator LONG. He is seated opposite to Colonel Sullivan, Mr. Gatlin.

STATEMENT OF DANIEL D. MOORE

(The witness was sworn in by the chairman.)

Senator LONG. State your full name?

Mr. GATLIN.

Senator LONG. What is your occupation?

Mr. GATLIN. I am an attorney in New Orleans.

Senator BARKER. Speaking of New Orleans.

Senator LONG. Attorney, where? In New Orleans?

Senator LONG. New Orleans. How long have you been a lawyer, Mr. Gatlin?

Mr. GATLIN. Since 1931.

Senator LONG. Where did you graduate, Mr. Gatlin? Did you graduate from a law school?

Mr. GATLIN. Tulane University.

Senator LONG. Where did you start out practicing law?

Mr. GATLIN. Colonel Sullivan's office.

Senator LONG. What time?

Mr. GATLIN. September 1931.

Senator LONG. What was the business carried on in the office where you started out, Mr. Gatlin, just in a general way?

Mr. GATLIN. Well, there was some law business down there, race-horse business, seemed to be various kinds of pool-room and hand-book business.

Senator LONG. Well, what do you mean by "hand books" and "pool room"? What are they? Would you say that is a varied gambling business and law office, in combination?

Mr. GATLIN. It seemed to be.

Senator McADOO. I cannot hear the witness.

The CHAIRMAN. There must be order in this committee room.

Senator CONNALLY. Mr. Chairman, I think the witness ought to state facts, and not be talking about "what seems to be."

Senator LONG. I will get the facts. I will ask him.

Senator CONNALLY. He was there in the office. He ought to know.

Senator LONG. He will; he will. Well, go ahead and tell what you saw, generally, without my having to ask questions, Mr. Gatlin.

Mr. GATLIN. Well, my appreciation of the business in the office——

Senator KING. Not "appreciation". What did you see?

Mr. GATLIN. I saw the business carried on. The principal law business was the defense of Yellow Cab personal injury cases. I personally was called on to handle the stable accommodations for the race horse people at the fair grounds. In addition, there is a man——

Senator KING. Did you do that as a lawyer?

Mr. GATLIN. As a clerk, I suppose. I was in the office, and I was called on to do it.

Senator LONG. It is a utility business, Senator——works in hand.

Mr. GATLIN. I was called on, in that office, to do whatever came to hand. One of my duties was to copy, every morning, a report of the various hand books, in the city of New Orleans, that was handed to me.

Senator LA FOLLETTE. What do you mean by "hand books"?

Mr. GATLIN. Books that pool rooms, where bets on horse racing were taken, to copy that, to type that from notes that were handed to me, and place it before Colonel Sullivan.

Senator CLARK. Who handed you the notes?

Mr. GATLIN. Some man came in every morning, the same man, and handed the notes. I do not know his name. I never did know his name.

Senator COSTIGAN. Who instructed you to copy them?

Mr. GATLIN. Colonel Sullivan.

Senator LONG. Was that the only man who had business there, whose name you did not know?

Mr. GATLIN. No. There were great numbers of people who came in, that I never knew their names.

Senator LONG. Was that the common fact of the business, not to know the names of the various habitués, or was that an exception?

Mr. GATLIN. Well, the practice of the place was not to use names, seemingly. I knew the names of a few of the callers, but the great majority of them, I never knew their names.

The CHAIRMAN. When was this, Mr. Gatlin?

Mr. GATLIN. Between September, 1931, and I believe it was May 1932.

The CHAIRMAN. Any other witnesses?

Senator LONG. No. I want to send for a book.

The CHAIRMAN. Go ahead and ask the witness.

Senator BARKLEY. Do you have the parimutuel system in Louisiana?

Mr. GATLIN. I believe it was established by law; yes, sir.

Senator BARKLEY. Yes; it is a legalized form of betting on races?

Mr. GATLIN. Yes; yes, sir.

Senator BARKLEY. What do these pool rooms or these handbooks have to do with the betting on the races?

Mr. GATLIN. Well, the handbooks are illegal, as I understand it. I know the place, the city, is full of them. Practically every pool room and every barber shop in the city has a handbook in the back room.

Senator BARKLEY. Well, is that known to the officials of Louisiana and of New Orleans?

Mr. GATLIN. Why, certainly. It is known to them. I have seen city policemen in those——

Senator BARKLEY. Does the Governor know about it?

Mr. GATLIN. Who?

Senator BARKLEY. Does the Governor and does the mayor know about it?

Mr. GATLIN. I don't know whether the Governor or the mayor knows. The police department certainly know.

Senator BARKLEY. Everybody else knows it, if they don't?

Mr. GATLIN. Everybody else knows. A stranger can go into any pool room or into any barber shop in the city, and walk right on in.

Senator BARKLEY. Now, that is a form of betting that is not permitted under the laws of Louisiana?

Mr. GATLIN. That is right.

Senator BARKLEY. The laws of Louisiana permit the betting on horse races within the enclosure of the race track, provided it is done through the pari mutuel, is that right?

Mr. GATLIN. That is my appreciation of the law.

Senator BARKLEY. And any other form of betting is unlawful?

Mr. GATLIN. I do not know whether any other form is unlawful, in connection with race tracks. I understand there are variations of the pari-mutuel system in effect.

Senator BARKLEY. Well, at least, the handbook system to which you have referred, and which you say is carried on in every barber shop and, what else did you say? Restaurants?

Mr. GATLIN. Barber shops.

Senator BARKLEY. Barber shops?

Mr. GATLIN. Various other places.

Senator BARKLEY. Hotel lobbies?

Senator LONG. Oh, no!

Mr. GATLIN. I have never seen any in hotel lobbies.

Senator BARKLEY. Well, that form of betting is unlawful, under the law of Louisiana?

Mr. GATLIN. My understanding is, it is.

Senator BARKLEY. Now, what was the object of this man reporting to Moore's office, Sullivan's office, with the handbook information?

Senator LONG. Same thing.

Senator KING. Don't interject those things, Mr. Long. You are not a witness.

Senator LONG. Same thing.

Senator BARKLEY. Well, it is not the same thing, and, anyway, I am interrogating the witness.

Senator KING. If you want to testify, you will have to be sworn and testify as other witnesses.

Senator BARKLEY. What was the object of making these reports to Mr. Sullivan's office?

Mr. GATLIN. I was never told what the object was. It was my appreciation——

Senator BARKLEY. Well, you were a law clerk in his office. You know whether it was the object, to get a list of them, to prosecute, or to defend? What was the character of that?

Mr. GATLIN. No; I think the object was, to have some idea of the turnover of the handbooks for the accounting purposes.

Senator BARKLEY. For accounting? Who was supposed to make the accounting, and for what purpose?

Mr. GATLIN. Why, when I handled those things, I supposed that somebody in the office had an interest in the amount of money that was handled through the books, and that, for that reason, a check-up was made each day, in order to have some way of checking against the account that was handd in by the handbook operators.

Senator CLARK. Well, do you know of your own knowledge what was done with those reports?

Mr. GATLIN. What was done with them?

Senator CLARK. Yes.

Mr. GATLIN. They were placed before Colonel Sullivan.

Senator CLARK. I mean, after they were placed before Colonel Sullivan.

Mr. GATLIN. No.

Senator CLARK. In other words, this is simply your opinion?

Mr. GATLIN. That is my opinion.

Senator LA FOLLETTE. Can you tell us whether a substantial sum of money was going through these handbooks?

Mr. GATLIN. Why, it has been a long time ago. My appreciation of the lists that I handled, they stated that there was so many people in the room at the time the call was made, and apparently there was so much business being done.

Senator CONNALLY. May I ask the witness a question, Mr. Chairman?

The CHAIRMAN. Yes, sir.

Senator CONNALLY. When did you fall out with Colonel Sullivan?

Mr. GATLIN. I never fell out with Colonel Sullivan.

Senator CONNALLY. How did you come to quit his office?

Mr. GATLIN. I quit his office at his request, because——

Senator CONNALLY. I judged so.

Senator LONG. Just a moment. Just a moment, your honor.

Mr. GATLIN. I went down, in connection with a case that I had——

Senator CONNALLY. Well, I don't care for details.

Senator LONG. Well, Mr. Chairman, just let the witness answer.

The CHAIRMAN. Well, wait a minute, Senator Long. Let these Senators ask questions.

Senator LONG. Well, the witness wants to answer it.

The CHAIRMAN. I understand the witness will answer.

Senator CONNALLY. He has answered it.

Senator LONG. Let him finish it, Senator.

Senator CONNALLY. I will let you finish it, but you got "fired" is the vernacular of the street, didn't you?

Mr. GATLIN. Yes, I suppose you would call it that.

Senator CONNALLY. Well, did you "appreciate" that you were fired? [Laughter.]

Mr. GATLIN. I appreciated that I would have to change my method of conduct and refrain from suing certain well-known gamblers, and people of that kind, in the city, if I wanted to remain in that office.

Senator CONNALLY. Well, you were an employee, weren't you?

Mr. GATLIN. Yes, I was an employee.

Senator CONNALLY. Were you there to run the Colonel's office for him?

Mr. GATLIN. No; I was permitted to handle lawsuits, my own legal business, in the office.

Senator CONNALLY. Well, I don't care anything about your business, anyway. I just wanted to know, though. You did have a breach with Colonel Sullivan?

Mr. GATLIN. Yes; Colonel Sullivan became offended because I sued Colonel Klook.

Senator CONNALLY. Colonel Klook? Colonel Ku-Klux? [Laughter.]

Mr. GATLIN. No, Colonel Klook. That is the alias under which the general manager of the race-horse magazine, the form sheet, is carried on, in New Orleans, and the wire business. If I may be permitted, I would like to explain what gave rise to that cause of action.

Senator LONG. Please do.

Senator CONNALLY. I am not concerned.

The CHAIRMAN. We would never get through here, going through all of the cases in that way.

Senator LONG. Now, Mr. Chairman, I will ask the witness——

The CHAIRMAN. Well, wait one minute, Senator Long. Are you through, Senator Connally?

Senator CONNALLY. Well, just about.

Senator LONG. Am I going to be permitted to continue with the witness? I have yielded to whatever Senator wished to interrogate the witness.

The CHAIRMAN. Have you finished, Senator Connally?

Senator CONNALLY. No; not quite.

The CHAIRMAN. You may finish.

Senator CONNALLY. Where are you working now, Mr. Gatlin?

Mr. GATLIN. I have my own business in New Orleans.

Senator CONNALLY. Have you your own office?

Mr. GATLIN. Yes, sir.

Senator CONNALLY. Do you do any race-track practice yourself?

Mr. GATLIN. At the present time?

Senator CONNALLY. Yes.

Mr. GATLIN. No, sir.

Senator CONNALLY. You quit all of that kind of practice?

Mr. GATLIN. Certainly. I have no affiliations whatever with the race track.

Senator CONNALLY. You went off into a new field?

Mr. GATLIN. Well, I am in the general practice of law. I have my own offices, general practice of law.

Senator CONNALLY. You are not mad at Colonel Sullivan, because you left the job?

Mr. GATLIN. Not a bit in the world.

Senator CONNALLY. You like him, just as much so as you ever did?

Mr. GATLIN. Certainly. As a matter of fact, I think I made the magnificent sum of \$75 a month in Colonel Sullivan's office, and I make about three or four hundred dollars a month, at the present time.

Senator CONNALLY. In other words, you got some training and experience there, and you have been able to capitalize on it, and make a great deal more, since you got out?

Mr. GATLIN. Well, I don't know as my experience and training in that office helped me any. I have not been engaged in that class of business.

Senator CONNALLY. Well, why didn't you go into the general practice, originally, instead of debasing your abilities, getting \$75 a month on salary?

Mr. GATLIN. For the very good reason that when I came out of law school, I don't suppose I could have raised \$50, if I had been shook upside down.

Senator CONNALLY. That is all.

Senator BARKLEY. Did you engage in any of the betting, by handbooks, during the time when you were in his office?

Mr. GATLIN. No, sir.

Senator LONG. Now, Mr. Gatlin, I will continue. You were fired?

Mr. GATLIN. Yes, sir.

Senator LONG. Had you brought suit against Colonel Klook?

Mr. GATLIN. I had.

Senator LONG. Did Colonel Sullivan tell you anything about that suit?

Mr. GATLIN. He told me that he could not put up with me bringing suit against his friend. He stated that he had handled Colonel Klook's business for years, and that because I had brought suit against Colonel Klook, Colonel Klook had to go out and hire another firm of Long & Semino to defend him.

Senator LONG. And for that reason, you had to get out?

Mr. GATLIN. And for that reason, that my services would not be satisfactory.

Senator LONG. Now, Colonel Klook ran the wire service?

Mr. GATLIN. Yes. It was my understanding that he ran the wire service, and the form sheet. His real name is Ridder, by the way.

Senator LONG. His real name is Ridder?

Mr. GATLIN. Ridder; yes, sir.

Senator LONG. Not the attorney?

Mr. GATLIN. No, sir. It is another Ridder. I don't know that there is any connection. I don't think it has the same spelling.

Senator COSTIGAN. Whose real name is Ridder?

Senator LONG. Colonel Klook.

The CHAIRMAN. Are there any other questions?

Senator LONG. Yes, sir.

Senator BARKLEY. Let me ask you, was Colonel Klook, so-called, a client of the office of Mr. Sullivan?

Mr. GATLIN. Not to my knowledge, at that time. I was told, for the first time, when Mr. Sullivan called me down for bringing the suit, that he had handled Colonel Klook's business for years.

Senator BARKLEY. Well, that meant his law business?

Mr. GATLIN. Yes. I suppose so.

Senator BARKLEY. So tht he objected to one of his law clerks bringing a suit against his client?

Mr. GATLIN. Yes, sir.

Senator BARKLEY. And the reason of that, Colonel Klook, or whatever his name is, went out and hired another firm?

Mr. GATLIN. Yes, sir.

Senator BARKLEY. And that gave rise to your dismissal?

Mr. GATLIN. Yes, sir.

Senator LONG. Now, Colonel Klook ran a wire sheet, you say? That is, the wire service that goes into these gambling joints, so they can get the information?

Mr. GATLIN. That is my understanding, yes.

Senator CLARK. Let me ask a question right there.

Senator LONG. Yes, sir.

Senator CLARK. You say, while you were in Colonel Sullivan's office, you had no connection with Colonel Klook, and did not know he was a client of the firm?

Mr. GATLIN. No, nothing.

Senator CLARK. Now, when you are testifying to Colonel Klook's identity, are you testifying from your own knowledge, or from reports?

Mr. GATLIN. I am testifying of my own knowledge, because I had a personal altercation with Colonel Klook, and at that time I involved myself, for the purpose of bringing a suit, as to his legal name, so that I would know how to phrase the suit which I brought against him.

Senator LONG. You went down to Colonel Klook's business, did you not?

Mr. GATLIN. I did.

Senator LONG. What happened to you down there?

Mr. GATLIN. Why, I made a request of Colonel Klook, just as gentlemanly as I could, to be permitted to interview one of his employees, about a death claim that I was then handling on my own account, and Colonel Klook immediately jumped up and began to curse me and abuse me, and told me to get out of the office, and about a dozen "rough necks" from all over the place came up and grabbed me, and shoved me down the stairs; and just as I got to the head of the stairs, Colonel Klook took a swing at me, although I was leaving the office, retreating with as good grace as the circumstances would permit.

Senator LONG. You filed suit against the Colonel?

Mr. GATLIN. I filed a suit against the Colonel for assault.

Senator LONG. Whereupon, it came out, through Colonel Sullivan's message to you, that he was handling Colonel Klook's business?

Mr. GATLIN. Yes. That is the first—

Senator LONG. But Colonel Sullivan never went to court for Colonel Klook, did he?

Mr. GATLIN. Never to my knowledge.

Senator LONG. Did you ever know of him going to court for anybody else?

Mr. GATLIN. No. I never heard of Colonel Sullivan going to court.

Senator LONG. That was a different kind of law practice than court.

Senator BARKLEY. How long have these gambling joints that have been referred to, existed in Louisiana?

Mr. GATLIN. Well, I cannot remember Louisiana; about 20 years, so I don't know.

Senator BARKLEY. But they have been there all that time?

Mr. GATLIN. Yes, sir.

Senator LONG. Off and on. Those are shut up, at times, and opened at other times?

Mr. GATLIN. Yes, sir.

The CHAIRMAN. Mr. Rightor, did you want to ask a question?

Senator LONG. I have not finished.

The CHAIRMAN. I understood you had finished.

Senator LONG. No, sir. I yield to every Senator who takes the witness.

The CHAIRMAN. All right, proceed, Senator, and we will get through.

Senator LONG. If the Chair wishes, I can examine him through, and then let them go ahead, but I always yield to the Senators, as a courtesy to any Senator who wishes to inquire. I am trying to get the votes of the committee, and I want to be courteous to the members. Now, Mr. Gatlin, are you in any way, shape, or form connected with me, or any State board, or State institution?

Mr. GATLIN. No, sir.

Senator LONG. Have I ever paid you a dime in my life?

Mr. GATLIN. No, sir—unfortunately.

Senator LONG. It will be more unfortunate.

Mr. GATLIN. Neither any other board in New Orleans, or faction. I have never been connected with any organization.

Senator LONG. I want to ask you—you say numbers of people came there, whose names you did not know?

Mr. GATLIN. Yes.

Senator LONG. I showed you, the other day, a photograph of a gentleman by the name of Frank P. Criss, as published in the newspapers in New Orleans. That is taken from the "Rogues gallery." You will note the number there. There is his picture, in another pose [indicating]. "Fighting back", you will notice, on the—under that. Have you ever seen that gentleman, or somebody that looked like him?

Mr. GATLIN. I have never known him by name. I have seen a person who was apparently the same man as this picture represents, in Colonel Sullivan's office, on one or two occasions. I never knew his name or had any intercourse with him, however.

Senator LONG. That is all.

The CHAIRMAN. Colonel Rightor?

Mr. RIGHTOR. Mr. Gatlin, I understand you graduated in 1931?

Mr. GATLIN. Yes, sir.

Mr. RIGHTOR. You went to Colonel Sullivan's office and you sought employment?

Mr. GATLIN. I did.

Mr. RIGHTOR. In that office, your duties were doing certain clerical work, and as Colonel Sullivan did not go to court you and Mr. Sussler defended the cases that the office had in court?

Mr. GATLIN. No, Mr. Sussler defended the cases. I was never called on to defend in court any of the cases of the office.

Mr. RIGHTOR. You just graduated?

Mr. GATLIN. I just graduated. I assisted in preparing the pleadings and did clerical work, and whatever I might be called on to do.

Mr. RIGHTOR. And you were in that office about how long?

Senator McADOO. Mr. Chairman, if the witness and his attorney would speak a little louder, we could hear better.

The CHAIRMAN. Speak a little louder.

Senator McADOO. There is a lot of noise in the room here, anyway, and it is difficult to hear.

The CHAIRMAN. We must have as much quiet here as possible. If we do not, we will have to clear the room.

Mr. RIGHTOR. And you were in that office how long, before you were let out?

Mr. GATLIN. I think it was the following May.

Mr. RIGHTOR. And during that period of time you learned the running of Colonel Sullivan's office?

Mr. GATLIN. I don't know as I learned about running the office. I did such duties as were assigned to me.

Mr. RIGHTOR. But what you have testified to, you learned as a young lawyer who was employed in that office?

Mr. GATLIN. Yes, sir.

Mr. RIGHTOR. Now, let me ask you just this question, and you answer it as you please: Do you consider it proper for you to testify as a lawyer, to what you learned about another lawyer's business whilst you were employed by him?

Mr. GATLIN. If the counsel pleases, I do not think that question is proper. I was subpoenaed before this body. Being subpoenaed, I have no interest in the affair one way or another, and I am put on oath, here now and asked certain questions. If there is any privilege existing which would exempt me from testifying, I would be more than glad to take advantage of it.

Mr. RIGHTOR. Well, do I understand that you prefer not to testify or you prefer to testify?

Mr. GATLIN. I have no preference in the matter whatsoever. If there is any privilege that will excuse me, I will certainly take advantage of it. I have no interest in the matter one way or another.

Mr. RIGHTOR. Now, how did Senator Long ever learn that you knew the details of Colonel Sullivan's office?

Mr. GATLIN. Senator Long called me up a few days ago and asked me if I was not employed in Colonel Sullivan's office at one time and I said yes, and that is all.

Mr. RIGHTOR. And you did not consider it improper, knowing that there was an issue between Colonel Sullivan and Senator Long, to communicate the details of Colonel Sullivan's office to Senator Long?

Mr. GATLIN. I do not know that I communicated the details. I discussed the matter with Senator Long on one occasion, I believe it was.

Mr. RIGHTOR. You never told Senator Long before what you have told the committee here today?

Mr. GATLIN. Not all of the things. I did identify a picture a few days ago that I just identified here, which Senator Long asked me to.

Mr. RIGHTOR. Then, Senator Long was merely groping, when he asked you these questions—he had no idea at all how you were going to answer them?

Mr. GATLIN. I have no knowledge as to what extent Senator's— Senator Long's knowledge of Colonel Sullivan's affairs is.

Mr. RIGHTOR. You haven't? But you feel certain that what information Senator Long has brought out from you, you did not communicate to Senator Long?

Mr. GATLIN. I certainly went into no detail with Senator Long about the affair, at all.

Mr. RIGHTOR. Now, you stated that you sued Colonel Klook for "taking a swing" at you, didn't you?

Mr. GATLIN. Yes, sir.

Mr. RIGHTOR. Well now, didn't a court give judgment in favor of the colonel and against Mr. Gatlin?

Mr. GATLIN. They did.

Mr. RIGHTOR. So they did not consider that you had been legally damaged by having a "swing" taken at you?

Mr. GATLIN. Evidently not.

Mr. RIGHTOR. Now, don't you know, as a lawyer, that in the State of Louisiana, the pari-mutuel system of betting at tracks is legal?

Mr. GATLIN. It is my understanding that it is. I have never been involved in that, or had occasion to look it up.

Mr. RIGHTOR. Don't you know, as a matter of fact, the running of handbooks is illegal?

Mr. GATLIN. That is my understanding also.

Mr. RIGHTOR. And don't you know as a matter of fact, that Colonel Sullivan is a stockholder, and was a stockholder in the Fair Grounds track, there?

Mr. GATLIN. My understanding is that he was interested in the Louisiana Jockey Club.

Mr. RIGHTOR. You knew it, didn't you? Didn't you know it?

Mr. GATLIN. I understood that he was; yes.

Mr. RIGHTOR. You were there in his office 3 or 4 months, and you just "understood" it. You didn't know it?

Mr. GATLIN. Will counsel please distinguish for me "understand" and "know"?

Mr. RIGHTOR. Well, I will leave that to you. Now, tell me this; don't you know this? Now, I know it, and I think you know it—that Colonel Sullivan, as attorney for that track, wished to stamp out the handbooks in the city of New Orleans, and he was getting, through detectives, the locations of pool rooms, and turning them over to the police, in an endeavor to have those handbooks suppressed?

Mr. GATLIN. I had no knowledge of what the purpose of getting that information was.

Mr. RIGHTOR. Don't you know the district attorney, Stanley, contemporaneously with the time that these lists were being made up, was proceeding against the handbooks?

Mr. GATLIN. I know there was certain raids on handbooks. I remember one occasion when a book, right under Colonel Sullivan's window, was raided about that time. I remember all of us going to the window and watching the patrol wagon take the people out.

Mr. RIGHTOR. Well, independent of the window, now, don't you know the district attorney was leading a campaign against handbooks?

Mr. GATLIN. I have no knowledge of that particular time.

Mr. RIGHTOR. Didn't you read the papers, and see it?

Mr. GATLIN. I know that the district attorney has put on those campaigns from time to time. Whether he put on one at that time, I do not know.

Mr. RIGHTOR. Well now, you were making up these lists. Did these lists show what the receipts of these places were? Didn't they merely show the location, and that there was handbook gambling there?

Mr. GATLIN. The location, as I remember it, the approximate turnover, the number of people that was there. The notes would simply say, "Apparently the business was heavy, as so many people were in the room", or that sort of thing.

Mr. RIGHTOR. And, knowing that Colonel Sullivan was managing the Louisiana Jockey Club; knowing that they had the pari-mutuel system there, that was legal; knowing that these handbooks were running in town, reading the district attorney's statements every day, about the suppression of handbooks, the impression was not created on your mind that the gathering of that information was to suppress the handbooks, but it was made on your mind that possibly the Colonel was making a revenue through that source?

Mr. GATLIN. I knew nothing which made me think that the Colonel would be interested in stamping out handbooks in New Orleans.

Mr. RIGHTOR. You did not?

Mr. GATLIN. Any more than I would—it is certainly none of my business about handbooks operating in New Orleans. While it may be against the law, I am not engaged in that business, and I don't think Colonel Sullivan is, either.

Mr. RIGHTOR. But your impression was that Colonel Sullivan was grafting on handbooks; is that it?

Mr. GATLIN. I had no such impression as that.

Mr. RIGHTOR. Well, do you intend to convey to this committee that Colonel Sullivan had any connection with handbooks?

Mr. GATLIN. My impression was at that time, and from Colonel Sullivan's general reputation in the city, that he undoubtedly had a connection with handbooks.

Mr. RIGHTOR. Your impression was that he was connected with handbooks?

Senator McADOO. Mr. Chairman, I do not think that it is material what the impressions of this witness were. We have had enough of the impressions—let us have the facts.

Senator KING. I would think so.

Mr. GATLIN. I would prefer to refrain from giving an impression, but Mr. Rightor insists on asking me my impression.

The CHAIRMAN. Just state the facts.

Mr. GATLIN. And I am giving them to you.

Mr. RIGHTOR. I am only seeking the truth, and you are an intelligent member of the bar, and I want to know what you know. Now, have you any other information than the information that you have given, of a variety of classes of gambling, running in Colonel Sullivan's office?

Mr. GATLIN. No.

Mr. RIGHTOR. Now, you say you did not know the names of the people that came in there. Do you mean to say that there was an endeavor to conceal their identity when they came in and when they left?

Mr. GATLIN. No. I do not know whether there was any intent to conceal the names.

The CHAIRMAN. I think we had better stop taking any more pictures. We have given you plenty of opportunity to take pictures now, and it is a little irksome to some members of the committee.

Mr. GATLIN. It merely happens, so far as I know, that the names were not given to me. There were certain people who came around the office that I did know, like Mr. Waldo Pitkin, that hung around the office all the time.

Senator KING. Was there any obligation on your part, or was it part of your duty, to ascertain the names of those who came in and those who went out?

Mr. GATLIN. No. I had nothing to do with that.

Senator KING. You do not mean, by anything you stated, to convey the fact to this committee that there were a lot of people coming in there secretly, and you were forbidden the opportunity of knowing who they were?

Mr. GATLIN. No, I was not forbidden.

Senator KING. You were just a clerk there in the office?

Mr. GATLIN. I had nothing to do with that.

Senator KING. And you discharged the duties you were told to perform?

Mr. GATLIN. That is right.

Senator CLARK. There is nothing unusual in a law clerk not knowing everybody that comes in to see the lawyers?

Mr. GATLIN. Is that a question?

Senator CLARK. I say, there is nothing unusual in the law clerk not knowing everybody who comes in to see his employer, is there?

Mr. GATLIN. Possibly not.

Senator KING. Well, don't you know that?

Mr. GATLIN. Well, that is the only experience I ever had as a so-called "law clerk", and I don't know how other offices are arranged.

The CHAIRMAN. Are there any other questions?

Senator BARKLEY. Do you know Mr. Moore?

Mr. RIGHTOR. Mr. Chairman, I have just been handed some papers concerning Mr. Gatlin. He is a young lawyer, and I don't know whether I want to use them, or not.

Senator LONG. Well, go ahead.

Mr. RIGHTOR. No, I don't want to go ahead.

Senator LONG. Shake him down.

Senator KING. Do not interrupt.

Mr. RIGHTOR. I would like to ask the committee this, to permit me to have Mr. Gatlin come back tomorrow morning for cross examination. I do not know whether I will use him or not.

Senator KING. That is all right.

Mr. RIGHTOR. My personal preference is not to use him.

Senator LONG. This witness was in the hospital, suffering from appendicitis, and he has been bandaged up, and told that his operation might be put off a day. He wants to go back. We have no compunctions about divulging anything, any reliable testimony.

The CHAIRMAN. Have you any objection to trying to get back tomorrow morning?

Mr. GATLIN. I don't know whether it will be possible. I have been in the hospital ever since I got to town, and I just got up and came down here. I do not know whether I will be able to come back or not.

Senator COUZENS. Well, I think you ought to finish with him, Mr. Chairman.

Senator BARKLEY. How long have you been in Washington, Mr. Gatlin?

Mr. GATLIN. I beg your pardon?

Senator BARKLEY. When did you come to the city?

Mr. GATLIN. I came yesterday, and went immediately to the hospital.

Senator HASTINGS. Well, Mr. Chairman, aren't we going to get very much closer to the main question than this?

The CHAIRMAN. I am hopeful we will, Senator.

Senator BARKLEY. While they are conferring, do you know Mr. Moore?

Mr. GATLIN. Mr. Moore? I do not believe I know him.

Senator CONNALLY. This man, here [indicating]?

Senator BARKLEY. This man here.

Mr. GATLIN. Yes; I know his face.

Senator BARKLEY. The innocent bystander, apparently, in this case. [Laughter.]

Mr. MOORE. You never saw me in Colonel Sullivan's office?

Mr. GATLIN. Yes; I think I have seen you in Colonel Sullivan's office.

Senator BARKLEY. Do you know anything about his qualifications to this appointment?

Mr. GATLIN. I beg your pardon?

Senator BARKLEY. Do you know anything about his qualifications for this appointment?

Mr. GATLIN. No, sir.

Senator BARKLEY. What is his reputation, generally, as a citizen, in New Orleans, if you know?

Mr. GATLIN. I have no knowledge of his reputation.

Senator BARKLEY. All right.

Mr. SULLIVAN. Mr. Gatlin—

Senator LONG. Colonel Sullivan quizzing.

Mr. SULLIVAN. Mr. Chairman, my name is Sullivan.

The CHAIRMAN. All right, Mr. Sullivan.

Mr. SULLIVAN. Mr. Gatlin, you say I objected to your bringing suits against certain gambling clients of mine?

Mr. GATLIN. Yes, sir.

Mr. SULLIVAN. Do you refer to the one suit, of a party connected with the Jefferson track?

Mr. GATLIN. No, I refer to the Colonel Klook suit, and also a case that I was not allowed to bring, involving the general manager of the Jefferson Park race track.

Mr. SULLIVAN. Now, as I understood—it was reported to me—I am propounding this as a question—that you had accepted a retainer against an official of the Jefferson race track. Is it not a fact that I went to you, Mr. Gatlin, and told you that that particular man and I had not been friendly for many years, but, of late, we were friendly, and that the filing of that suit, even if brought in your name, with your being connected with my office, that nothing would convince

that man but what I had that suit brought against him; is that correct?

Mr. GATLIN. I believe you told me that you felt that bringing that suit would convey the impression that you were trying to—

Mr. SULLIVAN. To "job" him.

Mr. GATLIN. To start something with that man.

Mr. SULLIVAN. Yes, sir; and I insisted that you do not bring that case. That is correct, isn't it?

Mr. GATLIN. Yes, you insisted that it be not brought.

Mr. SULLIVAN. That is the case against the Jefferson Park race track, without going into the details?

Mr. GATLIN. Yes.

Mr. SULLIVAN. Now, I wish to ask just a couple more questions. Do you know who Colonel Klook was?

Mr. GATLIN. Yes, sir; I believe his name is Henry Ridder.

Mr. SULLIVAN. You have testified that he runs wires?

Mr. GATLIN. It is my understanding, I testified, that he—

Mr. SULLIVAN. You do not know of your own knowledge?

Mr. GATLIN. I do not know of my own knowledge.

Mr. SULLIVAN. That is all right.

Mr. GATLIN. Except that an—an understanding that I have.

Mr. SULLIVAN. Now, do you know that Colonel Klook, who writes under the nom de plume "Colonel Klook" is Henry Ridder, who was formerly the sporting editor of the New Orleans States?

Mr. GATLIN. I did not know that.

Mr. SULLIVAN. You did not know that? Was that the only objection that I urged, about the bringing of suit? Was it alone Colonel Klook, or Henry Ridder?

Mr. GATLIN. No. You brought—I don't understand the question.

Mr. SULLIVAN. What I mean is this—you had filed suit against the Times Picayune?

Mr. GATLIN. Oh, yes. I had filed suit against the Times Picayune.

Mr. SULLIVAN. Yes.

Mr. GATLIN. You objected to that. You told me that you had been representing those people for years, and that you did not feel like having anybody in your office bring a suit against that particular newspaper.

Mr. SULLIVAN. Are you sure that I told you that I had been representing the Times-Picayune for years?

Mr. GATLIN. No; I am not sure. You might have said you had been friendly with the Times-Picayune, or friendly with some man there.

Mr. SULLIVAN. Didn't Mr. Sullivan tell you, "I am on very friendly terms with the operators of the Times-Picayune, with its publisher, and with its managing editor, and I do not care to have a suit brought in this office against the Times-Picayune?" Is that a fact?

Mr. GATLIN. Well, it was words to that effect.

Mr. SULLIVAN. All right.

Mr. GATLIN. Whether you said you were friendly with the Picayune, or with some individual, I don't know.

Mr. SULLIVAN. That is all. Now, is it not a fact that your suit against the Daily Racing Form and Colonel Klook, grew out of your

claim against the Times-Picayune, in this, that you went to the office of the Racing Form to seek a witness in that case?

Mr. GATLIN. No, sir.

Mr. SULLIVAN. Isn't that correct?

Mr. GATLIN. No, sir; that is not correct.

Mr. SULLIVAN. What is correct?

Mr. GATLIN. The suit that I was seeking a witness in was a suit against the Travelers' Insurance Co. The name of the suit was Sal Camatchee against the Louisiana News. It grew out of the death of a boy who got on the truck of the Louisiana News at the Racing Form office, and the defense was that he was a trespasser, and I went there to try to establish the conditions under which the boy got on the truck, from which he was killed a few minutes later.

Senator KING. Well, Mr. Chairman, so far as I am concerned, I do not think it is very material.

Senator McADOO. Mr. Chairman, I would like to ask this witness one question.

The CHAIRMAN. All right, Senator McAdoo.

Senator McADOO. When you were employed by Colonel Sullivan, is it your testimony, or not—I was not quite sure about it—that while you were to be paid as a law clerk in his office, you at the same time were permitted by him to practice on your own account?

Mr. GATLIN. That was the arrangement, that I would be permitted to take cases on my account, because I only got \$75 a month as a salary there, and obviously, I could not support my family on that pittance.

Senator KING. Well, you do not understand that it would be good ethical conduct, while you were working for a man in his office, to take suits against his clients, do you?

Mr. GATLIN. Certainly not, if I knew it. I had no knowledge.

The CHAIRMAN. Is there anything else? Any other questions? That is all.

Senator LONG. I have some questions, Senator. You say that when you brought this suit against Colonel Klook, that you have testified about being in the wire business, furnishing the hand books and the racing form, that Colonel Sullivan told you that he took care of Colonel Klook's business?

Mr. GATLIN. Yes.

Senator LONG. That is the first time you knew that?

Mr. GATLIN. That is the first time I knew it, that the suit was brought.

Senator LONG. You had brought a suit against Colonel Klook for assault?

Mr. GATLIN. Yes. Prior to that time I had not even discussed the matter with Colonel Sullivan.

Senator LONG. I will ask you, who was Colonel Sullivan's secretary while you were there?

Mr. GATLIN. His confidential secretary was a young lady named Miss Evelyn Flattery, or Slattery.

Senator LONG. All right. I will ask you if, also, he had a lady employed there by the name of Maretsky, Miss Maretsky?

Mr. GATLIN. Not at the time I was there.

Senator LONG. Not at the time you were there?

Mr. GATLIN. No, sir.

Senator LONG. You have been asked about the newspaper printing Colonel Sullivan's drive to close the handbooks. Did that refer to the time when the Colonel's race track was operating, or not, when he would be interested?

Senator KING. You mean the Jockey Club, Senator, that he was connected with?

Senator LONG. Race track.

Senator KING. Reference has been made here to the Jockey Club.

Senator LONG. Well, that is the same thing.

Senator KING. Was it his, or was it organized under the laws of the State?

Senator LONG. It is owned by—my understanding is—Colonel Bradley and Colonel Sullivan. That is my understanding.

Mr. SULLIVAN. That understanding is not correct.

Mr. GATLIN. It is a corporation.

Senator BARKLEY. It is a corporation.

Senator LONG. Was there any question about him running the Louisiana Jockey Club, there?

Mr. GATLIN. I don't remember any question about it. I think Colonel Sullivan ran the Jockey Club.

Senator LONG. In order to identify what that business was, they carried on the business out there of horse racing and betting on horse races?

Mr. GATLIN. Yes.

Senator LONG. Was that the business in which Colonel Sullivan was identified with Colonel Bradley?

Mr. GATLIN. Yes; they were most interested in the Louisiana Jockey Club, as I understood it.

The CHAIRMAN. Well, you say you "understand." Do you know that to be a fact, Mr. Gatlin?

Mr. GATLIN. Well—

Senator KING. Answer, yes or no.

Mr. GATLIN. Yes; I know it to be a fact.

The CHAIRMAN. All right.

Senator WALCOTT. Can it be shown what interest they had? Did they control the stock of the Louisiana Jockey Club?

Senator LONG. I don't suppose there is any question about that. I have understood that to be rather—

Mr. RIGHTOR. We will show that, Senator.

Senator McADOO. That is shown in your question, Mr. Rightor, to the witness. You stated that the colonel was there.

The CHAIRMAN. All right. Are there any other questions?

Senator LONG. Yes, sir. Did Miss Flattery have a more confidential standing there than you did, Mr. Gatlin?

Mr. GATLIN. Yes; I would say so. Miss Flattery, I think was charged with the actual conduct of the business, the handling of the money, and that sort of thing.

Senator LONG. The writing of the checks?

Mr. GATLIN. Yes.

Senator LONG. And handling of the money, other than checks, besides that?

Mr. GATLIN. Why, as far as I know, she handled all the money in the office.

Senator KING. Some of your duties were legal, and hers were those of secretary?

Mr. GATLIN. At that time——

Senator KING. Is that a fact? Were some of her duties those of secretary?

Mr. GATLIN. Yes.

Senator KING. And stenographer?

Mr. GATLIN. Yes.

Senator KING. You were supposed to be a lawyer?

Mr. GATLIN. Yes.

Senator KING. She was not?

Mr. GATLIN. Yes.

Senator KING. That is all.

Senator BARKLEY. Was she a competent secretary?

Mr. GATLIN. I would not say a competent, in the sense of doing clerical work. I tried to get the young lady to write letters, on a few occasions. She was unable to take dictation. I don't think she was——

Senator BARKLEY. Was she your secretary, too?

Mr. GATLIN. No; but on occasions, when I would be hard up, hard pressed with some work, I have asked the young lady, and, in my presence, Mr. Waldo Pitkin has asked her to write letters, and she would come to me after he was gone, and try to get me to piece out the letters, because she was unable to take down shorthand as rapidly as he spoke.

Senator LONG. Mr. Moore asked you, a moment ago, if you had seen him there, and you testified that you thought you had, and he nodded to you approvingly, did he not, Mr. Gatlin? Nods do not go into the record.

Mr. GATLIN. Well, he nodded to me. I do not know what he signified.

Mr. MOORE. Mr. Gatlin did not see me in that office, so far as I know.

The CHAIRMAN. Is there anything else?

Senator LONG. Just one more question, I have written down here. The handbook drive had been on in New Orleans, to close handbooks, when Colonel Sullivan's race track was operating, so as to drive them to his track; otherwise, I will ask you what about it?

Senator BARKLEY. Well, let us let the witness testify.

Senator LONG. Well, I will ask you if that is not the fact.

Mr. GATLIN. Well, those drives, as I understand it, have been on from time to time. The objection to the handbooks, of course, takes form usually at the time the fair grounds is operating.

Senator LONG. That is Colonel Sullivan's Jockey Club?

Mr. GATLIN. Yes; because the feeling is that detracts from the crowds that would otherwise attend the Jockey Club. I don't think there is any attempt——

Senator BARKLEY. Well, as a matter of fact, when there is no race on, there isn't much incentive to have a handbook, is there?

Mr. GATLIN. Oh, there are races in various other parts of the country.

Senator BARKLEY. These handbooks apply to other race tracks, as well as to that one?

Mr. GATLIN. Oh, yes; the handbooks all have direct wires from the other race tracks.

Senator BARKLEY. Well, when the races were on in New Orleans, were these handbooks concentrated on betting on the races at New Orleans, or did they cover the whole country?

Mr. GATLIN. Oh, they carry books for all the race tracks then operating in the country, whether or not the races are on in New Orleans.

Senator LONG. And the colonel's moral wave, that Mr. Rightor speaks about, comes along at the time when they are trying to drive them out, to get the people out to the race track, which is known as the "Jockey Club"?

Mr. GATLIN. That is the time that the agitation takes place, to put the handbooks out of business.

Senator LONG. Otherwise, there is no moral wave out of the colonel's office?

Mr. GATLIN. Not that I know of.

Senator BARKLEY. Let us let the witness testify. I think, as to these latter questions about the reform, that if an official of the court was trying the case, he would hold those questions rather leading.

The CHAIRMAN. Is there any other question?

Senator LONG. Well, I will put it another way. I do not want to be leading the witnesses.

Senator KING. No; that is all.

The CHAIRMAN. Is that all, Senator Long?

Senator CLARK. I would like to ask one question, Mr. Gatlin: Do you, of your own knowledge, know anything about the qualifications of Mr. Moore for the office for which he has been nominated?

Mr. GATLIN. No. I know nothing whatever about him.

Senator LONG. That is all, Mr. Gatlin.

The CHAIRMAN. That is all, Mr. Gatlin.

All right, who else?

Senator LONG. I understand this witness, Mr. Gatlin, can go. He wants to go back, to be operated on. Mr. P. R. Lanoux.

The CHAIRMAN. Mr. P. R. Lanoux.

STATEMENT OF PAUL R. LANOUX

(The witness was duly sworn by the chairman.)

Senator LONG. Mr. Chairman, may I ask—I do not want Mr. McDonald to make out an expense account for his transportation up here, unless it is all right. He came without a summons, and I will summon him after he testifies. Would it be all right?

The CHAIRMAN. I will have the committee pass on that.

Senator BARKLEY. Talk out loud, now, Mr. Lanoux, so everybody can hear you.

Senator LONG. Mr. Lanoux, what is your present occupation?

Mr. LANOUX. Deputy collector.

Senator LONG. Of what?

Mr. LANOUX. Internal Revenue.

Senator LONG. Where?

Mr. LANOUX. In Mr. Moore's office, Collector of Internal Revenue's office.

Senator LONG. You are now Deputy Internal Revenue Collector of the State of Louisiana? I mean, for the United States Government, located in New Orleans, for the State of Louisiana?

Mr. LANOUX. Correct.

Senator LONG. How long have you been in that office?

Mr. LANOUX. A little over 11 years.

Senator LONG. Were you a civil service employee?

Mr. LANOUX. Yes, sir.

Senator LONG. How long have you been a civil service employee?

Mr. LANOUX. I was appointed from a competitive roster in 1923, January 20, when I first went into the service.

Senator LONG. Tell what happened to you when Mr. Moore came into that office.

Mr. LANOUX. I was then chief of the auditing section, and was demoted from chief of the auditing section.

The CHAIRMAN. Talk a little louder.

Senator LONG. There is a little noise in the room, Mr. Chairman.

Senator BARKLEY. I wish you would have that door over there kept closed.

The CHAIRMAN. We must have quite in the committee room. Now talk loud, Mr. Lanoux.

Mr. LANOUX. I was at that time chief of the auditing section, in charge of the auditing of income-tax returns in the collector's office, and I was demoted from that job, transferred into the field division, as a deputy collector.

Senator LONG. Who was given your job?

Mr. LANOUX. A man by the name of George Kernion.

Senator LONG. Was any charge preferred against you?

Mr. LANOUX. Not that I know of.

Senator LONG. Any statement made to you that your work was unsatisfactory?

Mr. LANOUX. No, sir. I was told my work was very satisfactory.

Senator LONG. Did they take you out of the Civil Service status?

Mr. LANOUX. Well, I told a political appointed job. I am commissioned as a deputy collector.

Senator LONG. What salary were you drawing when Mr. Moore went in there?

Mr. LANOUX. Twenty-seven hundred.

Senator LONG. To what salary did they reduce you?

Mr. LANOUX. Twenty-four.

Senator LONG. What salary did they pay the man who took your place?

Mr. LANOUX. I think it is twenty-six hundred, the entrance salary of the job.

Senator LONG. Upon taking away your civil-service status without any charge or anything—

Senator KING. Well, Senator Long, isn't that an assumption?

Senator LONG. Well, they took it away. They took him out of the civil-service job, he says, and put him in a political appointment.

Senator CLARK. The witness has not testified he lost his civil-service status. As a matter of fact, he probably has not, under the law.

Senator LONG. All right, let us have him state what happened to him, now.

Senator KING. Well, he has stated that. There is no necessity of going over that.

Senator LONG. He has stated that he was taken out of civil service and given a political appointment.

Senator KING. No; he did not say that.

Senator LONG. Then I would like to ask him to state again.

Senator KING. I think the record is very clear.

Senator LONG. Let me get it straight.

Senator KING. There is no question. It is perfectly straight. Proceed. Ask your question.

Senator LONG. Well now, I want to ask him the question, and I will ask him the question. If the question is objected to, then I will withdraw the question, unless the Chair rules that it is acceptable.

The CHAIRMAN. Well, Senator, I think the witness was perfectly clear. He said he was demoted, and put into the field force. Now, the question as to whether or not he has been taken out of the civil service, or is now in civil service, is a question of law.

Senator KING. Exactly. That is the point.

Senator COUZENS. What is your understanding of it?

Mr. LANOUX. I have been shown a letter from the Commissioner of Internal Revenue, stating that it would not affect my civil-service status, the transfer would not affect my civil service, insofar as it applies to transfer from that division to another, or retirement.

Senator LONG. What happened between Mr. Moore and you, as a result of that, Mr. Lanoux?

Mr. LANOUX. Just what do you mean, Senator?

Senator LONG. Well, I mean, was there any controversy came up about it?

Mr. LANOUX. Well, I took up my case with the Civil Service Commission, from the tenth civil service district, in New Orleans, and asked them just what could be done in my case, and they told me to go back to Mr. Moore's office and inquire from Mr. Moore had any charges been preferred against me, that they did not understand how I could be demoted without having charges preferred against me; so I went back there, and Mr. Moore wasn't there at that time, so I took the case up with Mr. Fontone, the assistant, and Mr. Fontone told me that no charges had been preferred against me. I asked him if there was anything against my record. He said, "Absolutely no", that my record was perfect. I asked him why they had demoted me then, and he said the only reason he could give me was that they had somebody else they wanted for that job.

Senator LONG. And they put Mr. Kernion in the job. Had he ever been in that office before, that you know anything about?

Mr. LANOUX. I understand that he was, but that was before my time.

Senator LONG. Before the 12 years when you were there?

Mr. LANOUX. That is right.

Senator LONG. I will ask you to please state if there is working in that office, Miss Evelyn Flattery, a lady by that name who came there from Colonel Sullivan's office? Do you know that?

Mr. LANOUX. Yes, sir; I know her.

Senator LONG. Is there working there in that office a lady by the name of Miss Meretzky, Pearl Meretzky?

Mr. LANOUX. Yes, sir.

Senator LONG. When did they come there?

Mr. LANOUX. When Mr. Moore took office, I think.

Senator LONG. Is there working there a lady by the name of Miss Golden?

Mr. LANOUX. I do not know her.

Senator LONG. Miss Thyra Golden?

Mr. LANOUX. I do not know.

Senator LONG. Has there been anything unusual about the employment there of Miss Meretzky or Miss Flattery in the method in which they have been working in that office?

Mr. LANOUX. Well, I do not quite understand that question exactly right.

Senator LONG. All right. In how many departments has Miss Meretzky worked? They came there after Mr. Moore came there?

Mr. LANOUX. Yes, sir.

Senator LONG. Been there just a few months?

Mr. LANOUX. Yes, sir.

Senator LONG. How many departments has Miss Meretzky been in since she has been there, since coming from Colonel Sullivan's office?

Mr. LANOUX. I would say that I think she worked in practically all of the departments since she has been there.

Senator LONG. Going from one to the other departments?

Mr. LANOUX. Yes, sir.

Senator LONG. Is that usual?

Mr. LANOUX. Well, no; it may be a little unusual.

Senator LONG. Has it been unusual in that office, so far as you know, for a new employee to come in there and go from department to department?

Mr. LANOUX. Yes, sir.

Senator LONG. You have never seen that happen there before, have you?

Mr. LANOUX. No, sir.

Senator LONG. Has Miss Meretzky further given any impression as to what her capacity is there, and has it been recognized, and if so, what is it?

Mr. LANOUX. I think when Miss Meretzky first came there, she did quite a bit of talking.

Senator LONG. Did she tell who had her put up there?

Mr. LANOUX. I understand that she was put there by Colonel——

The CHAIRMAN (interposing). Just of your own knowledge?

Senator LONG. I am asking you for what she said.

Senator CLARK. Is she speaking to him in that conversation, or is that just from hearsay?

Senator LONG. She never told you personally?

Mr. LANOUX. No; because I never have spoken to the young lady very much.

Senator LONG. Has she delivered any messages to you in political campaigns as to what you ought to do?

Mr. LANOUX. Well, she did ask me during the mayor campaign in New Orleans who was I going to vote for. I told her that I was civil service and did not discuss politics at all, and she asked me would I kindly as a personal favor to her, vote for Mayor Walmsley. I asked her why, and she said "Because Colonel Sullivan was backing

Mr. Walmsley for mayor." I told her that I would make no promise on that and would not discuss that in any way whatsoever, because I was civil service and did not take any part in politics at all.

Senator BARKLEY. Well, you are a rare bird, if that is the case. [Laughter.]

Senator LONG. Has Miss Meretzky or Miss Flattery or either of them, given the persons in the office, including yourself, to understand what their present connection is with Colonel Sullivan after coming to that office? I mean particularly as to whether or not they went back to the office to work any there? Colonel Sullivan's office?

Mr. LANOUX. As I have said, she did not tell me that personally, but I understand—

The CHAIRMAN (interposing). [Let us not have your understanding.

Mr. LANOUX. Then I cannot answer the question, because I have never spoken to the young lady personally about that.

Senator LONG. Well, I will ask this question, and it can be ruled out, in order that I may make up the record. Is there a general understanding in that office that Miss Meretzky and Miss Flattery, at the cessation of their work, go back to do work in Colonel Sullivan's office?

Mr. LANOUX. I have heard that rumor.

The CHAIRMAN. You do not know that of your own knowledge, do you?

Mr. LANOUX. Well, I have been told by some of the employees there that she made those statements, but I do not know positively because I have never spoken to her about that—never discussed that with them.

Senator LONG. I will ask you this question. If you have heard any dissents to that understanding prevailing in that office, that Miss Flattery and Miss Meretzky do return to Colonel Sullivan's office to do work there? Have you ever heard that disputed there at all?

Mr. LANOUX. No.

Senator BARKLEY. Have you been engaged in any big arguments about it?

Mr. LANOUX. No; not me.

Senator LONG. Were you called in by Mr. Moore or Mr. Fontenot and told anything about giving him a letter as the result of these complaints that came about as the result of your being reduced?

Mr. LANOUX. Yes, sir.

Senator LONG. Just state what happened.

Mr. LANOUX. I got a letter from Mr. Moore stating that he was in receipt of a letter from a friend of his from Texas, telling him that while he was traveling through some city of Texas, that the American Legion had taken up my case with him, and they seemed to be very much up in the air about the move that had been made in his office affecting some of the civil-service employees, and that they were going to take the case up with some of the Senators in Washington, and that the Legion would prefer charges against the collector of internal revenue in New Orleans when the proper time came, and Mr. Moore wrote me a letter and requested that I answer to him why the case had been placed in the hands of the American Legion of Texas.

Senator LONG. Did he tell you he wanted a letter?

Mr. LANOUX. He requested a letter, an answer by writing.

Senator LONG. Did he tell you that that might affect his confirmation?

Mr. LANOUX. Yes.

Senator HASTINGS. Have you that letter?

Mr. LANOUX. Yes, sir; I gave him a letter.

Senator HASTINGS. Mr. Chairman, I suggest that we get the letter.

Senator LONG. Did you write him a letter?

Mr. LANOUX. Yes, sir.

Senator LONG. Why did you write him a letter?

Mr. LANOUX. Because he asked for it.

Senator LONG. Did you fear that you would be discharged if you did not write it?

Mr. LANOUX. I did.

Senator LONG. After you were summoned in this case, were you called on the carpet any more?

Mr. LANOUX. Saturday morning; yes, sir.

Senator LONG. By whom?

Mr. LANOUX. Mr. Geter, chief of the field division.

Senator LONG. What did he tell you?

Mr. LANOUX. He told me Mr. Moore had been hearing some rumbles about me.

Senator LONG. Did he ask anything further from you?

Mr. LANOUX. I told him I did not know anything about it; that there was somebody doing a lot of talking on the outside. I did not know how all of these rumbles got back to Mr. Moore, that I was trying to do my work and attend to my business, but somebody was trying to work me out of the service, some way or another; so he asked me to write Mr. Moore a letter and give it to him.

Senator LONG. This is after you were summoned?

Mr. LANOUX. Yes, sir. And stating that I had not discussed the case any further and that I was satisfied with the change that had been made, and I told Mr. Geter at that time that I would give him that letter if he insisted upon it but that I had been summoned to appear before this committee to testify today and I did not think it was proper for me to discuss it with him at all or with anyone else after I had been summoned. Then he told me "All right"; under those conditions he did not want the letter; that he would talk to me after I returned to New Orleans.

Senator LONG. Did you see him after that?

Mr. LANOUX. No, sir; I left then. It was Saturday afternoon.

Senator LONG. You did not see him again or meet up with him again?

Mr. LANOUX. No, sir.

Senator LONG. Whom did they place in charge of the office under Mr. Fontenot, who is the first man, as I understand it, after Mr. Moore? Was there a lady named Masilio?

Mr. LANOUX. Masilio?

Senator LONG. Who is Mr. Fontenot?

(No answer.)

Senator LONG. I will ask you this question. Perhaps I am wrong about this.

Senator KING. Did you withdraw the question "Who is Mr. Fontenot?"

Mr. LANOUX. He is assistant to the collector.

Senator LONG. Have you ever seen Mr. Moore since you were there except this one time?

Mr. LANOUX. Yes, sir; I have seen him.

Senator LONG. Did you have any business with him?

Mr. LANOUX. No, sir; that is the only time I talked to Mr. Moore or discussed any matter with Mr. Moore.

Senator LONG. Your talks have all been with whom?

Mr. LANOUX. Mr. Fontenot.

Senator LONG. Who is Mr. Fontenot's secretary?

Mr. LANOUX. I think Miss Collins is now.

Senator LONG. Who was before that?

(No answer.)

Senator LONG. Was there any promotion made there of anybody else? Any lady particularly who was in that office?

(No answer.)

Senator LONG. Then I will ask this question. Maybe I am in error about it. Did you have a case come up there with an employee of that office some time ago in which that employee had claimed a deduction as the head of a family?

Mr. LANOUX. Yes, sir; that is correct.

Senator LONG. Who was that?

Mr. LANOUX. Miss Salome Seiler.

Senator LONG. That is the name that I have been trying to get. All right. State what there was about that and what that lady's position is today.

Mr. LANOUX. She is the assistant chief of the income-tax division and at that time I was chief of the audit section. While auditing returns, I found that she had claimed the head of a family in her return, and I knew that she was a single individual. Her brother had also claimed the head of a family in his return, and he was a single individual; they both lived in the same house.

So I proceeded to disallow the head of a family claim, because I knew that she was not entitled to it, and I had a little difficulty in working the case up, and I wrote to the rules and regulations committee here in Washington and asked for a ruling on it, and they told me that two single individuals residing in the same home positively could not claim the head of a family on a separate return. I then proceeded to assign the return to the Field Division for a field investigation, and we collected the additional tax of fifty-and-some-odd dollars on her return. The next morning she got very indignant about it and bawled me out and has not spoken to me since, and that was over a year ago.

Senator LONG. What is her position since Mr. Moore took charge?

Mr. LANOUX. Assistant chief of the income-tax division.

Senator LONG. Is that the position she held before he came there?

Mr. LANOUX. Yes, sir.

Senator LONG. What is her authority there?

Mr. LANOUX. As assistant to the chief of the income-tax division, she assists him in the running of the department, I suppose.

Senator LONG. Does she exercise considerable control over the office?

Mr. LANOUX. She does.

Senator BARKLEY. Let me ask you this. This transaction occurred with reference to an income tax for what year?

Mr. LANOUX. 1932.

Senator BARKLEY. Then the whole transactions was completed, and you collected this extra \$50 before Mr. Moore went into the office?

Mr. LANOUX. That is right.

Senator BARKLEY. Has there been any change in her status?

Mr. LANOUX. No, sir; not that I know of.

Senator BARKLEY. What do you expect him to do? Fire her?

Mr. LANOUX. No; I did not say that.

Senator BARKLEY. What is the complaint about it?

Senator HASTINGS. This witness is not complaining.

Senator BARKLEY. What is there about it that has anything to do with this case?

Senator HASTINGS. This witness is just answering the questions.

Senator BARKLEY. I realize that, but I cannot see the relevancy of that transaction to anything that we are inquiring into.

Senator LONG. Does that lady exercise considerable control in the office at this time?

Mr. LANOUX. Yes, sir.

Senator LONG. Were you given to understand that this lady had had something to do with your demotion?

Mr. LANOUX. I could not say that I have. Not in my case.

Senator LONG. That is all.

Senator HASTINGS. Was Mr. Moore's attention ever called to this dispute that you had had with this lady about her income tax?

Mr. LANOUX. No; I never said anything to Mr. Moore about it.

Senator HASTINGS. So far as you know, you do not know whether he knew about it or whether he did not?

Mr. LANOUX. I do not know whether Mr. Moore knew about it or not.

Senator BARKLEY. The chief of the auditing section, which position you held prior to your demotion; is that a classified position?

Mr. LANOUX. Whether the position is classified or not I would not say.

Senator BARKLEY. As a matter of fact, it is not?

Mr. LANOUX. I do not know. I do not think it is.

Senator BARKLEY. You have been in the service 11 years?

Mr. LANOUX. Yes, sir.

Senator BARKLEY. And you went in in a minor position. You did not go into this position, did you?

Mr. LANOUX. Oh, no. I went into the service as an entrance position.

Senator BARKLEY. So you have been promoted from time to time until you finally were promoted to this position of chief of the auditing section?

Mr. LANOUX. That is right.

Senator BARKLEY. And while as a matter of fact you occupy and enjoy a civil service status yourself, the position to which you were finally promoted is not a classified position?

Mr. LANOUX. I do not think it is. I could not say positively.

Senator BARKLEY. So that there was nothing strange about the demotion of a man who had a classified status but held an unclassified position. That is true, isn't it?

(No answer.)

Senator BARKLEY. Do you understand?

(No answer.)

Senator BARKLEY. Let me ask you this: Do you entertain some resentment against Mr. Moore because of your demotion?

Mr. LANOUX. Well, I could not say exactly that I do.

Senator BARKLEY. You do not feel very kindly toward him about it?

Mr. LANOUX. I did feel hurt and sore at first over it, like anybody else would.

Senator BARKLEY. Does that have anything to do with your appearance here?

Mr. LANOUX. Not that I know of.

Senator CLARK. You were summoned by the committee, were you not?

Mr. LANOUX. I was.

Senator BARKLEY. Let me ask you this: How many clerks and employees are there in the office there in the New Orleans District?

Mr. LANOUX. I could not answer that question, because I don't know.

Senator BARKLEY. Is it a large number?

Mr. LANOUX. Yes, sir.

Mr. RIGHTOR. Eighty-five.

Senator BARKLEY. Part of them are under civil service and part of them are not?

Mr. LANOUX. That is right.

Mr. MOORE. You know that Miss Seiler is civil service, do you not?

Mr. LANOUX. I do.

Mr. RIGHTOR. She has been there 21 years, hasn't she?

Mr. LANOUX. I don't know. She was there when I went there, and I have been there 11 years.

Senator CLARK. Who succeeded you as chief of the division?

Mr. LANOUX. Mr. Kiernion.

Senator CLARK. Do you know what position he held in the service before?

Mr. LANOUX. I do not know.

Senator CLARK. You do not know what position he held?

Mr. LANOUX. I don't know.

Mr. RIGHTOR. Weren't you informed that Governor John M. Parker had recommended Mr. Kiernion to Mr. Moore because Mr. Kiernion was an experienced accountant, a member of the bar, and had been in that department before; that Mr. Kiernion unfortunately was suffering with deafness and he was very well suited to the particular position that you had previously held and therefore Mr. Kiernion would be put into that position and you would be put in the position that you assumed? Weren't you informed of that?

Mr. LANOUX. When?

Mr. RIGHTOR. In your conversation with Mr. Fontenot and Mr. Moore concerning the change?

Mr. LANOUX. Well, I know Mr. Moore told me that the change was made for the good of the service. That is all that I can say.

Mr. RIGHTOR. Didn't they give you that explanation that I just gave you?

Mr. LANOUX. Not that much explanation, no.

Mr. RIGHTOR. If the committee will permit, I will read this letter that the Senator wants in the record, and place it in the record. It is dated February 16, 1934, to Mr. D. D. Moore, collector, Internal Revenue Service, New Orleans.

(Mr. Rightor thereupon read the letter referred to.)

TREASURY DEPARTMENT,
INTERNAL REVENUE SERVICE,
New Orleans, La., February 16, 1934.

Mr. D. D. MOORE,
Collector, Internal Revenue Service,
New Orleans, La.

Replying to your letter of February 14, 1934, relative to certain action taken by the American Legion of Texas pertaining to their action taken in certain changes made in your office supposedly affecting ex-service men, including myself, you requested that I explain why the Legion in Texas had been requested to take action in these cases. I am at a loss to explain this question. I have not at any time discussed this matter with anyone connected with the Legion in Texas nor anywhere with the exception of Mr. Kelly, the commander of my post, which is Federal Post No. 197, located here in New Orleans. Mr. Kelly was very well pleased with his interview with you which you are aware was handled in a very business-like manner. Mr. Kelly advised me of his interview with you, and I was also very well pleased and considered the case closed.

I can assure you that any action that the Legion in Texas may have taken in this matter was based on some erroneous information secured from some unreliable source.

I have written to Mr. R. D. Bowen, of Kiomatia, Tex., and explained my position to him. That I had not been in any way mistreated by you and that the whole matter had been handled by the Legion in a way very unsatisfactory to me and mostly unjust to you and I. I have requested that he immediately take up the matter with the Legion of Texas and request that they take no further action in the matter.

I have great confidence in Dr. Bowen's ability to handle this case in the right manner that will be satisfactory to all parties concerned.

Respectfully,

P. R. LANOUX.

Senator HASTINGS. Have you the letter which Mr. Moore wrote? That is the letter that I would like to have read.

(Mr. Rightor thereupon read the letter referred to.)

FEBRUARY 14, 1934.

Mr. P. R. LANOUX,
Deputy Collector, New Orleans, La.

DEAR MR. LANOUX: The following are excerpts from a letter I received from a personal friend at Galveston, Tex.:

"Some of the Legion boys seemed to be very wroth over the fact that one of the Legion members, and one who was disabled by his service in France, had been displaced in the Internal Revenue Office in New Orleans by another, who secured the position by civil service.

"They stated that he has been transferred to a position paying a lower salary, and one of a political nature, from which he is apt to be dismissed at most any time.

"They spoke of the fact that they will take this up in due time through the Senators of other States and direct with the Treasury Department, and make charges against the Revenue Office in New Orleans. The reason they give for it being necessary to get Senators from different States to request action against the New Orleans Internal Revenue Office is that the two senators from Louisiana are in bad odor and need the help of other senators, which they are sure they can get.

"They do not seem to discriminate between Republican and Democrat, but insist that this man is worthy in every respect and competent, and that it is an

outrage for a Legion man to be handled in this manner. Just what all this means I do not know, but I assume that you can easily find out if you do not already know.

"Perhaps there is nothing in all this. I thought you would be glad to have this information."

I would like to know why the legionnaires in Texas have been asked to take action in this case and how they came to be so misinformed about it. From the letter, it would seem that an effort is being made to bring this to the attention of Senators from different States, etc.

As you perhaps know, the matter was investigated by the commander of Federal Post 197 of the American Legion. A letter we have from him indicates that his investigation satisfied him that we were justified in our action and that your present position was not in jeopardy. Mr. Fontenot, my assistant, has informed me that he told you positively that you were not to be separated from the service and that later on you would be given a better status when it became possible.

In view of these facts, I would like to have a reply in writing from you covering the questions I have asked here.

Yours very truly,

D. D. MOORE, *Collector.*

Mr. MOORE. When you received that letter, you sent word to me that that seemed to be from our mutual friend, Colonel Bowen.

Mr. LANOUX. Right.

Mr. MOORE. You knew I had previously told you that in a letter of congratulation from Colonel Bowen, that you were the one employee that he had spoken of as his friend?

Mr. LANOUX. Yes, sir.

Mr. MOORE. And therefore I knew you to be the friend of Colonel Bowen?

Mr. LANOUX. Yes, sir.

Mr. MOORE. Here is the letter from which I quote—

Senator LONG (interposing). That is the letter that you said you wrote fearing that you would be discharged if you did not write it?

Senator LA FOLLETTE. What was the letter to which the gentleman referred? Did you put that into the record?

Mr. RIGHTER. As it was so fully quoted from, I did not put it in.

The CHAIRMAN. Why not just put it in the record?

Senator LONG. Hand it to the stenographer.

(The letter referred to is dated Galveston, Tex., Feb. 12, 1934, to Mr. D. D. Moore, Collector of Internal Revenue, Custom House Building, New Orleans, La., signed by R. D. Bowen.)

GALVESTON, TEX., *February 12, 1934.*

Mr. D. D. MOORE,

Collector of Internal Revenue,

Customhouse Building, New Orleans, La.

MY DEAR DAN: Galveston is having quite a carnival turnout today, instead of tomorrow. I met quite a number of officers from the battleship *Wyoming*, and quite a lot of the Legion boys, both the Navy and the Army were entertaining them.

They had quite a reception at the Elks Club, from which point we viewed the parade.

Some of the Legion boys seemed to be very wroth over the fact that one of the Legion members, and one who was disabled by his service in France, had been displaced in the Internal Revenue Office in New Orleans by another, who secured the position by civil service.

They stated that he has been transferred to a position paying a lower salary and one of a political nature, from which he is apt to be dismissed at most any time.

They spoke of the fact that they will take this up in due time through the Senators of other States and direct with the Treasury Department, and make charges against the revenue office in New Orleans. The reason they give for

it being necessary to get Senators from different States to request action against the New Orleans Internal Revenue Office is that the two Senators from Louisiana are in bad odor and need the help of other Senators, which they are sure they can get.

They do not seem to discriminate between Republican and Democrat, but insist that this man is worthy in every respect and competent, and that it is an outrage for a Legion man to be handled in this manner. Just what all this means I do not know, but I assume that you can easily find out if you do not already know.

Perhaps there is nothing in all this. I though you would be glad to have this information.

Galveston has reversed the order of carnival, and while the parade was not on the scale of those in New Orleans, everybody seemed to enjoy it.

With regards, yours truly,

R. D. BOWEN, *Kiomatia, Tex.*

Senator HASTINGS. Senator Long, have you quoted the witness correctly? Did the witness say that he wrote this letter because he was fearful that he would be discharged if he did not write it?

Senator LONG. He stated that he thought he would be discharged if he did not write it.

Senator BARKLEY. Are you willing to make that statement here notwithstanding the fact that Mr. Moore wrote you a letter previously that your position was not in danger?

Mr. LANOUX. That was the first letter I received from Mr. Moore.

Senator BARKLEY. Was that after you received the letter that you wrote a reply to it, because you thought that he was going to fire you?

Mr. LANOUX. Yes, sir.

Senator BARKLEY. You did not believe him then when he told you that your position was not in danger?

Mr. LANOUX. [No answer.]

Senator COUZENS. Can't you answer the question?

Mr. LANOUX. I feared I would be dismissed if I did not answer the letter, yes.

Senator BARKLEY. Did you answer as you did, did you give the kind of an answer that you did because you were afraid that you were going to be dismissed?

Mr. LANOUX. Yes, sir.

Senator BARKLEY. Was that answer true or untrue?

Mr. LANOUX. What is that?

Senator BARKLEY. The answer that you wrote to Mr. Moore.

Mr. LANOUX. I do not get your question straight.

Senator BARKLEY. The letter which he wrote you asking you why the Texas Legion had taken the matter up and asked you to give a reply to that, and explain why the Texas Legion had taken it up—you say that in reply to that letter you wrote him because you thought that he would fire you if you did not?

Mr. LANOUX. That is right.

Senator BARKLEY. When you wrote him, did you tell him the truth?

Mr. LANOUX. I gave him in the letter the information which he asked me for.

Senator BARKLEY. And that was a truthful letter, was it?

Mr. LANOUX. I don't know just what you are driving at.

Senator BARKLEY. You told him the facts about it when you replied to him?

Senator LONG. He testified that he gave him the letter that he asked for.

Senator BARKLEY. No; he did not testify that he gave him the letter asked for. He gave him a letter asked for. There was nothing in the letter that indicated the kind of a reply that he wanted. When you replied to that letter, did you reply truthfully?

Mr. LANOUX. I had a discussion with Mr. Moore and he told me what kind of a letter he wanted, and I wrote it just like he wanted it.

Senator BARKLEY. You mean after he wrote you asking for a reply, you discussed it with him?

Mr. LANOUX. Yes.

Senator BARKLEY. And agreed with him about the kind of a letter that you were to write him?

Mr. LANOUX. He told me what kind of a letter he wanted and I wrote it that way.

Senator BARKLEY. What did he tell you that he wanted?

Mr. LANOUX. Just what is in the letter.

Senator BARKLEY. Is what was in the letter, the truth?

Senator KING. Did you state the truth in the letter?

Mr. LANOUX. Did I state the truth?

Senator KING. Was the letter a truthful letter?

Mr. LANOUX. It was just about what Mr. Moore wanted me to write.

Senator BARKLEY. Was it the truth or wasn't it?

Mr. LANOUX. I don't know just what you are driving at.

Senator BARKLEY. You said you went up and talked to Mr. Moore about the letter. Now I ask you if the letter that you wrote was the truth?

Mr. LANOUX. I could not say it was exactly true, because in that letter I stated that I was very much satisfied with the new position, and I cannot say that I was at that time.

Senator BARKLEY. You were not telling thim the truth then when you said that you were satisfied?

Mr. LANOUX. I wrote it just like he told me.

Senator BARKLEY. Did you tell him the truth about the Texas Legion?

Mr. LANOUX. That was the truth.

Senator BARKLEY. And that you had nothing to do with that?

Mr. LANOUX. That is correct.

Senator BARKLEY. And that there was a lot of irresponsible talking on the outside?

Mr. LANOUX. That is true. I did not communicate with the Legion in Texas.

Senator BARKLEY. The only untruthful statement was that you were not quite as well satisfied with your demotion as you led him to believe?

Mr. LANOUX. I was not satisfied, but I could not afford to say that at that time.

Senator BARKLEY. It was not necessary even to discuss that, was it?

Senator CLARK. Mr. Chairman, it seems to me the point in this matter is not whether the statement is literally true, but whether he wrote that letter under coercion or duress.

The CHAIRMAN. The committee will have to pass on that.

Senator LONG. He told you what he wanted you to write?

Mr. LANOUX. Yes, sir.

Senator LONG. And you felt you would be fired if you did not?

It did not take much use for your brains to know that.

Mr. LANOUX. That is quite right.

Senator LONG. That is all.

Senator LONERGAN. Do you know your successor?

Mr. LANOUX. Yes, sir; I do.

Senator LONERGAN. How long have you known him?

Mr. LANOUX. Well, not very long. About a year.

Senator LONERGAN. What had been his political associations in the City of New Orleans?

Mr. LANOUX. That I could not say.

Senator LONERGAN. Do you know whether or not he has been identified with the wing of the party of which Mr. Sullivan is one of the leaders?

Mr. LANOUX. I could not answer that question.

Senator LONERGAN. You know nothing about that?

Mr. LANOUX. I have never taken any part in politics and never was interested in it.

Senator LONERGAN. Do you know why he was placed in the position?

Mr. LANOUX. I don't know that.

Senator BYRD. Are you a Democrat or a Republican?

Mr. LANOUX. No, I am a Democrat.

The CHAIRMAN. Any other questions?

Senator LONG. Just one moment. Since Senator Lonergan has asked that question, I want to try to help the Senator out. And ask if Mr. Kiernion had not testified against Senator Overton and myself in the preceding week, and that it was generally understood that he had to be immediately rewarded and was thereby given your job?

Mr. LANOUX. I understood that, but I know nothing about it.

The CHAIRMAN. Do you know that to be a fact?

Mr. LANOUX. No.

Senator LONG. The record will show it.

The CHAIRMAN. Senator, you are not on the stand now. That is all, Mr. Lanoux.

Mr. MOORE. Mr. Chairman, one statement has been made here, that Mr. Lanoux has stated that I shaped his letter.

Mr. RIGHTOR. You will testify when you get on the stand.

Mr. MOORE. I have never asked him to tell an untruth.

The CHAIRMAN. Mr. Moore, you will be permitted to testify when your time comes. Whom else have you, Senator Long?

Senator LONG. Colonel Bradley. I would like him to testify at this time.

The CHAIRMAN. Order in the committee room.

STATEMENT OF EDWARD R. BRADLEY

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Chairman, Colonel Bradley asked permission that he be permitted to have his counsel sit with him during the hearing.

The CHAIRMAN. Very well.

Senator LA FOLLETTE. Let the counsel's name appear on the record.

The CHAIRMAN. Mr. Lambert.

Senator LONG. Where is the counsel from?

Senator BARKLEY. The counsel is Mr. Wilton J. Lambert, of Washington, D.C. Some inquiry has been made about it.

Senator LONG. Thank you.

Colonel Bradley, where do you live?

Mr. BRADLEY. Palm Beach, Fla.

Senator LONG. Is that your domicile, Mr. Bradley?

Mr. BRADLEY. Yes, sir.

Senator LONG. How long have you lived there?

Mr. BRADLEY. 1899.

Senator LONG. What is your business?

Mr. BRADLEY. I am a speculator, I breed and race horses, and gamble.

Senator LONG. Do you confine your gambling to race horses?

Mr. BRADLEY. I gamble on anything.

Senator LONG. What business do you run in Palm Beach besides the race track or West Palm Beach or anything in that area?

Mr. BRADLEY. West Palm Beach?

Senator LONG. Do you run a gambling house in Florida? I will put it that way.

Mr. BRADLEY. I told you that I gamble. When you specify a place, I stand on my constitutional rights.

Mr. LAMBERT. We object to that.

The CHAIRMAN. Of course I do not know how the committee feels about it, but I do not feel that any witness is compelled to incriminate himself on any proposition.

Senator LONG. I think he has a right to uphold the Constitution.

Senator BARKLEY. I think before any inquiry should be made into Colonel Bradley's business, it ought to be shown whether he had any connection with Mr. Moore's appointment, or whether his business has any relationship to Mr. Moore's qualifications. If he had any hand in the appointment of Mr. Moore, it might be pertinent to inquire what his connections with Mr. Moore or anybody else may be, but simply to ask him what his business is without regard to whether it has any connection whatever with this appointment, seems to me is going far afield.

Senator LONG. I wanted to be courteous to the Colonel. I am one of the lawyers that believes in being fair, and with what I think the law is. I think a man has a right to stand on his constitutional rights before a Senate committee, the same as any other place, although it has not been as well regarded as I think it should be. I am willing to acquiesce in the Colonel's objection that he stands on his constitutional rights, but I am not willing to accede on the basis that my friend the Senator from Kentucky states.

Senator BARKLEY. That is of course a matter for the committee to decide.

The CHAIRMAN. Mr. Bradley, I will ask you a few questions. Do you know Mr. Moore?

Mr. BRADLEY. No, sir.

The CHAIRMAN. You have never known Mr. Moore?

Mr. BRADLEY. Never met him.

The CHAIRMAN. Have you ever had any dealings with Mr. Moore?

Mr. BRADLEY. No.

The CHAIRMAN. Do you know anything about his appointment as collector of internal revenue in New Orleans?

Mr. BRADLEY. I don't know anything about it.

The CHAIRMAN. Did you have anything to do with it?

Mr. BRADLEY. No. Never.

The CHAIRMAN. With reference to Mr. Sullivan, John P. Sullivan, what is your connection with Mr. John P. Sullivan?

Mr. BRADLEY. Just social friend.

The CHAIRMAN. Have you any business relations with him?

Mr. BRADLEY. Well, he is an associate stockholder in the Louisiana Jockey Club, among many others with myself.

The CHAIRMAN. Is he in connection with you or in business with you in any other way?

Mr. BRADLEY. No way in the world.

The CHAIRMAN. Has he ever been?

Mr. BRADLEY. Never been.

The CHAIRMAN. The extent of your connection with him is in the Louisiana Jockey Club?

Mr. BRADLEY. Yes.

The CHAIRMAN. What is the extent of that?

Mr. BRADLEY. What is that?

The CHAIRMAN. Explain to the committee the extent of the connection with the Louisiana Jockey Club of Sullivan and yourself.

Mr. BRADLEY. Well, he is employed by the Louisiana Jockey Club as a lawyer. We had to employ a manager at \$10,000 a year, and the business got bad, so we appointed John Sullivan as manager of the Louisiana Jockey Club to carry on the meetings until such time as we could make some money.

The CHAIRMAN. That is a corporation, is it?

Mr. BRADLEY. That is a corporation.

The CHAIRMAN. Do you own the controlling stock in it?

Mr. BRADLEY. I do. I did.

The CHAIRMAN. You did. You don't know?

Mr. BRADLEY. No; I sold it.

The CHAIRMAN. You sold all of your stock in that?

Mr. BRADLEY. I sold it.

The CHAIRMAN. When was that?

Mr. BRADLEY. The second year that they operated.

The CHAIRMAN. When did they begin?

Mr. BRADLEY. When did they begin?

The CHAIRMAN. Yes.

Mr. BRADLEY. I think it was a year ago last October. I am not certain of the date. 1932.

The CHAIRMAN. And Mr. Sullivan represented you there so far as this jockey club is concerned, as attorney?

Mr. BRADLEY. Yes. He represented the jockey club.

The CHAIRMAN. And had some stock in it?

Mr. BRADLEY. Yes.

The CHAIRMAN. And that is the extent of any connection between you?

Mr. BRADLEY. Yes. Any place, anywhere.

Senator REED. Did you ever discuss this appointment of Mr. Moore with Mr. Sullivan?

Mr. BRADLEY. I don't know Mr. Moore. I would not know him if I saw him.

Senator REED. Did you ever talk to Sullivan about Moore?

Mr. BRADLEY. No.

Senator REED. I do not think that there is any relevancy.

Senator LONG. Then I will ask some questions, if the committee please.

The CHAIRMAN. Some of the Senators wish to ask some questions.

Senator KING. Was the jockey club organized under the laws of Louisiana?

Mr. BRADLEY. Yes.

Senator KING. How many stockholders are there?

Mr. BRADLEY. I don't know. Quite a number.

Senator KING. A dozen or more?

Mr. SULLIVAN. About three hundred.

Mr. BRADLEY. Three hundred.

Senator KING. Were they citizens of Louisiana?

Mr. BRADLEY. I believe they were. I don't know. I know that most of those that I knew were citizens of Louisiana.

Senator REED. Where do you file your income-tax return?

Mr. BRADLEY. I usually pay it from Lexington.

Senator REED. And you file it in the collector's office in Kentucky?

Mr. BRADLEY. Yes.

The CHAIRMAN. Did you want to ask a question, Senator Hastings?

Senator HASTINGS. That is what I wanted to ask.

Senator LONG. You have stated that Mr. Sullivan was the manager of this race track in which you owned most of the stock.

Mr. BRADLEY. That is correct.

Senator LONG. How much of the stock do you own?

Mr. BRADLEY. I really could not tell you the amount.

Senator LONG. What percent?

Mr. BRADLEY. I will say 50 percent or more.

Senator LONG. Fifty percent or more. Don't you know about what percent? What percent did Colonel Sullivan own?

Mr. BRADLEY. About a third of it.

Senator LONG. So you and he together owned fifty plus one third, which would run that up to eighty-three and a third. All right. Now, Mr. Sullivan was the manager of the race track, as I understand it?

Mr. BRADLEY. Yes.

Senator LONG. You conducted a betting business there? I am putting it in terms of betting.

Mr. BRADLEY. Operated pari mutuel.

Senator LONG. Now, Mr. Bradley, I will ask you if that race track was not served by a wire service?

Mr. BRADLEY. What do you mean?

Senator LONG. I mean a wire service that went into various places to tell them the odds on the horses, the results of the horses, and various other information necessary in order to conduct betting on the horses away from there?

Mr. BRADLEY. There is a news company that pays for that concession at all race tracks.

Senator LONG. Now, I will ask you if that news service operating at that race track did not supply your gambling houses with information as to those winners from New Orleans?

Mr. BRADLEY. No, sir.

Senator LONG. You do not have any bets on them at the houses you operate?

Mr. BRADLEY. No, sir.

Senator LONG. You do not have horse-race bets?

Mr. BRADLEY. No, sir.

Senator LONG. None at all?

Mr. BRADLEY. No, sir.

Senator LONG. What kind of betting do you do in the gambling houses that you operate?

Mr. LAMBERT. We object to that.

Senator CLARK. That is absolutely irrelevant.

The CHAIRMAN. The committee, I think, does not think that Colonel Bradley ought to go into all of his machinations or gambling.

Senator LONG. It is necessary, Mr. Chairman. This matter is a wheel within a wheel. I will prove that the Colonel bets directly through these wires, I think it is his own testimony—

Senator REED (interposing). What has that to do with Moore?

Senator LONG. It has this to do with Mr. Moore's case.

I stated on the floor of the Senate which I considered to be relevant, that Mr. Moore's appointment, as I intend to prove, although the order of my testimony may be a little irregular—I have proved it to some extent, established a prima facie case—

Senator BARKLEY (interposing). That is for the committee to decide.

Senator LONG. As I thought. Maybe we might differ, you might differ from me. The point that I am making is that Mr. Bradley and Mr. Sullivan are in a gambling business, that the gambling businesses are run fairly well connectedly, that Mr. Sullivan is the bellwether behind the appointment of Mr. Moore, has put into Mr. Moore's office three of his employees, some who discharge their work partly in the Internal Revenue Office and partly back in Colonel Sullivan's office. I have alleged further, as I intend to prove and I have already offered some testimony to prove, that the colonel is connected with the wire services leading into the race track. I have already proved by the colonel's testimony that he is connected with the wire service.

Senator BARKLEY. I dispute any such statement as that. You have not proved by Colonel Bradley that he is connected with the wire service.

The CHAIRMAN. The colonel denied that.

Senator LONG. Let us wait and we will see if he does.

Colonel Bradley, did you know that there was a wire service going into the race track that you and Mr. Sullivan were running?

Senator KING. I do not see the materiality of that.

Mr. BRADLEY. All race tracks sell a concession to news.

Senator LONG. I want to ask you the specific question. The race tracks make a contract furnishing that wire service. That is true, isn't it, Colonel?

Mr. BRADLEY. The race track sells a concession to the news companies.

Senator BARKLEY. Let me ask you a question there. You say all race tracks sell a concession to the news companies?

Mr. BRADLEY. Yes, sir.

Senator BARKLEY. The news company in turn disseminates through the country, information with reference to horses and tracks, entries and all of that?

Mr. BRADLEY. Yes.

Senator BRADLEY. That is printed in racing publications?

Mr. BRADLEY. That is right.

Senator BARKLEY. Form sheets and things of that sort?

Mr. BRADLEY. That is right.

Senator BRADLEY. And if there are wires running from the race track to the outside, they are used by the news service in conveying the information elsewhere?

Mr. BRADLEY. That is right.

Senator BARKLEY. That is gathered on the track as the horses run. Is that true?

Mr. BRADLEY. That is right.

Senator BARKLEY. Did you personally or did your company have anything to do with the news that was to be sent over those wires?

Mr. BRADLEY. No.

Senator KING. Is that the same kind of news service that is given in Maryland where they have pari mutuels?

Mr. BRADLEY. The same thing.

Senator KING. And is the pari mutuel organization or the Jockey Club organization there carrying on substantially the same pari mutuel business as is carried on in Maryland?

Mr. BRADLEY. The same thing.

Senator KING. And in other parts of the United States where they allow pari mutuel?

Mr. BRADLEY. Yes.

Senator LONG. Now may I be permitted to proceed?

The CHAIRMAN. Yes.

Senator LONG. Were you interested in any bets placed on that track in New Orleans when you were away from there?

Mr. BRADLEY. No.

Senator LONG. Never made any bets on the races that occurred there at the track?

Mr. BRADLEY. I cannot remember.

Senator LONG. Well, then, think real hard now, and see if you don't know whether you were interested in bets made there at that track.

Mr. BRADLEY. I had a stable of horses there, and do on my horses.

Senator LONG. You bet on your horses there?

Mr. BRADLEY. Yes.

Senator LONG. You were not there all the time when you were betting on them, were you?

Mr. BRADLEY. I had an agent do it.

Senator LONG. Who was your agent?

Senator KING. Mr. Chairman, I see no relevancy to that.

Senator LONG. I am trying to get it.

Senator HASTINGS. Colonel Sullivan is the agent for that purpose?

Senator LONG. Don't make me ask a leading question. I am trying to get the answers out of this witness.

Mr. SULLIVAN. Don't hesitate. Go right ahead.

Senator LONG. I want to ask my own questions.

Senator HASTINGS. Let me ask that question.

Mr. BRADLEY. I will answer it.

Senator HASTINGS. Was Colonel Sullivan your agent for that purpose of placing those bets?

Mr. BRADLEY. No.

Senator LONG. Who was your agent?

Mr. BRADLEY. Mose Cosdan, for 38 years.

Senator LONG. How did he communicate with you?

Mr. BRADLEY. By letter. Sometimes by telegram. After the races were over.

Senator LONG. And sometimes by letter?

Mr. BRADLEY. Yes.

Senator LONG. And you were there, with Colonel Sullivan handling the business for yourself and him, with other people betting on it, and you were placing your bets in a kitty that was under the supervision and accounting of your own outfit, weren't you, Mr. Bradley?

Senator KING. Mr. Chairman, I see no relevancy to this.

Senator LONG. Let me just state the relevancy. I think you are trying to keep out too much. The protest does not look good.

Senator KING. We resent that statement wholly and unqualifiedly.

Senator LONG. It does not look good to try to keep this out. Because I am trying to show that this man and Colonel Sullivan were keeping the kitty and betting in their own kitty. I have a right to show that.

The CHAIRMAN. The witness has answered your question, and the committee is trying to be very liberal and considerate with you, but I do not think the committee wants to go into all of the business of Colonel Sullivan all over the United States.

Senator LONG. Mr. Chairman, I have a right to show that the source of operating this office, that there is a company of Bradley and Sullivan, called the "Louisiana Jockey Club" or whatever you want to call it, that is operating their own race track and betting their own "kitty", and doing all of their own adding and subtracting and dividing, against all of the suckers all over the United States.

Mr. SULLIVAN. And you cannot show that in a thousand years.

The CHAIRMAN. Let us have a little order in the committee. Colonel Bradley has answered the question that he does bet on his own horses.

Senator LONG. At his own track.

The CHAIRMAN. He has his own agent there, and his own manager there.

Mr. SULLIVAN. Sands Point ought to have finished you.

Senator LONG. Get down that the Colonel seems a little excited.

Mr. SULLIVAN. Not a bit.

Senator BARKLEY. Let me see if I can clear this up.

Senator LONG. I can clear it up.

Senator BARKLEY. I can do my own clearing.

Senator LONG. Does the Chair rule that Senator Barkley can ask the question?

The CHAIRMAN. Yes.

Senator BARKLEY. You raise race horses?

Mr. BRADLEY. Yes.

Senator BARKLEY. And run them on tracks scattered over the country?

Mr. BRADLEY. Yes.

Senator BARKLEY. And when you have a horse or a number of horses at New Orleans or at any other track in the country, you have a man in charge of them?

Mr. BRADLEY. Yes.

Senator BARKLEY. On the ground?

Mr. BRADLEY. Yes.

Senator BARKLEY. And you bet your money on your own horses?

Mr. BRADLEY. He uses his own judgment.

Senator BARKLEY. Through the pari mutuel?

Mr. BRADLEY. Yes, sir.

Senator BARKLEY. So that your agent who is in charge of your horses on the track where the races are being run, bets money on them for you?

Mr. BRADLEY. Not to exceed a certain amount.

Senator BARKLEY. What is that?

Mr. BRADLEY. I give him a limit to bet.

Senator BARKLEY. Within the authority conferred upon him by you?

Mr. BRADLEY. Yes.

Senator BARKLEY. He does that on the track by the pari mutuels and exercises his own judgment as to how he shall bet?

Mr. BRADLEY. Yes.

Senator BARKLEY. He cannot go above the limit that you fix?

Mr. BRADLEY. Yes.

Senator BARKLEY. Have you ever, or is it your practice, or have you ever authorized anybody as your agent to place bets on the horses in what is called "handbooks" or "pools," scattered around over town in barber shops or other places?

Mr. BRADLEY. Not in New Orleans.

Senator BARKLEY. Since you sold your stock in the Louisiana Jockey Club, do you still pursue this practice of running your own horses on a track, or haven't they been in a race since you sold it?

Mr. BRADLEY. I had 12 horses down there this winter.

Senator BARKLEY. And they were in charge of your manager and agent?

Mr. BRADLEY. Yes.

Senator BARKLEY. And he bet money on those horses if he saw fit to do it, as your agent?

Mr. BRADLEY. Yes, sir.

Senator GEORGE. Colonel Bradley, may I ask you this. You say that the Jockey Club track or the Jockey Club sold the concession to the bookmakers or the man who handled the wires, the news company. You describe it as a news company. Was that sale on a flat basis?

Mr. BRADLEY. Yes. So much a day.

Senator GEORGE. So much a day?

Mr. BRADLEY. \$250 a day is the usual fee.

Senator GEORGE. It had nothing whatsoever to do with the volume of business done?

Mr. BRADLEY. No.

Senator GEORGE. Not governed or controlled by the receipts at all?

Mr. BRADLEY. No.

Senator LONG. Now, Colonel Bradley, I want to propound my question. You said that you do not bet on the handbooks in New Orleans. That you did not bet on them in New Orleans.

Mr. BRADLEY. That is what I said.

Senator LONG. You place your bets at the Fair Grounds?

Mr. BRADLEY. What bet are you talking about?

Senator LONG. The horse-race bets that you are making in New Orleans when you were in partners with Mr. Sullivan.

Mr. LAMBERT. We object to that. He never said he was a partner.

The CHAIRMAN. As I understood Colonel Bradley, and I think the committee understood him, that he did bet on his own horses through his agent, and he named his man.

Mr. BRADLEY. Yes.

The CHAIRMAN. And that that was the only betting that he did, and that Mr. Sullivan had nothing to do with that proposition.

Senator LONG. Just a moment. I am coming to that. You had Mr. Sullivan as the manager of the Fair Grounds?

Mr. BRADLEY. I did not have him. The association had him.

Senator LONG. You were the majority stockholder. You said you owned half of it and Sullivan owned a third of it, which made the two of you together own 83 percent of the stock, at least.

Mr. BRADLEY. Yes.

Senator LONG. Then you had Sullivan in charge of it? That is true, isn't it?

Mr. BRADLEY. He was the manager of the track.

Senator LONG. The manager of the betting business and the gambling part of it?

Mr. BRADLEY. No.

Senator LONG. You did not run the betting business?

Mr. BRADLEY. Sullivan did not run the betting business.

Senator LONG. Did not the jockey club at the Fair Grounds run the betting business?

Mr. BRADLEY. Yes.

Senator LONG. Was not Sullivan the manager of it?

Mr. BRADLEY. Yes.

Senator LONG. Sullivan is the manager of the fair grounds, and the fair grounds run the betting. You did not place your bets at any outside place, but with your own man in charge there; they were putting the bets in the mutuels operated by them at the fair grounds managed by Sullivan, whom you hired?

Mr. LAMBERT. We object to the assumption that his own man was in charge. It was run by a corporation.

The CHAIRMAN. I think the committee understands that Mr. Sullivan was the manager of the jockey-club organization and it was run by a pari-mutuel proposition which I imagine is legalized by the laws of Louisiana, and the extent of your betting was through your man, through the pari-mutuel system, and that you did not bet otherwise, as I understood your testimony.

Mr. BRADLEY. Yes, sir.

Senator LONG. Just one more question. And there was an institution in which you got 50 percent and Mr. Sullivan got 33½ percent, and managed, you said, by Mr. Sullivan, whom you had hired, and

that you were placing your bets with the same outfit that made the odds.

Mr. BRADLEY. No; you are wrong. They do not make the odds.

Senator LONG. Don't they calculate the odds?

Mr. BRADLEY. They calculate them after the money is in.

Senator LONG. And you had your own crowd doing the calculating, and you doing the betting, and the suckers coming in all over America.

Mr. BRADLEY. It was supervised—supervised by Ernst & Ernst, outside accountants.

Senator LONG. They come in and account every year or every 6 months?

Mr. BRADLEY. No; they are there and supervise it every day.

Senator LONG. Supervise it every day?

Mr. BRADLEY. And then the money bet is posted on a blackboard, and how many tickets are sold, and everything else.

Senator LONG. And you were running all forms of business—the horses that you own, at your own track, gambling on them, employing everybody, and putting your own bets only in your own place? You would not put them on the outside, as I understand.

The CHAIRMAN. I think the committee understands those questions and the answers on the proposition.

Senator LONG. Did you bet on handbooks? You stated that you did not bet an any handbooks in New Orleans. Did you bet in handbooks outside of New Orleans?

The CHAIRMAN. There is not any use in our going into these propositions all over the United States.

Senator LONG. I want to ask this question.

The CHAIRMAN. I think the Senator is a good enough lawyer to know the relevancy or otherwise.

Senator LONG. No. A very poor living was all I made, as the Chair well knows.

The CHAIRMAN. The Chair will admit that the Senator is a good lawyer, and he knows that we ought not go outside of Louisiana.

Senator LONG. Oh, no. If the Chair please, I wish to make this point. I wish to show that he was betting in the handbooks on the races coming from this track, outside of the city——

Senator CLARK (interposing). Mr. Chairman, I insist that it is bad enough in these times of great stress, for the Senate of the United States to have to waste half of its time washing the dirty linen of Louisiana without going into the ramifications of Colonel Bradley's business all over the United States.

The CHAIRMAN. Without objection on the part of the committee, the chairman will rule that we do not go outside of Louisiana on this proposition.

Senator LONG. Won't the Chair let me prove the bets made in other States through the handbooks, operating and placing the bets outside of the State? This is not a small business.

Mr. SULLIVAN. The Senator does not know anything about it.

The CHAIRMAN. I think the committee understands it, and I think Colonel Bradley has been very liberal in his answers on the proposition.

Senator LONG. I have not asked but about three questions. I have been trying to examine him for an hour.

The CHAIRMAN. Proceed, as we are nearing adjournment time.

Senator LONG. I ask you this question, and if the Chair wants to rule it out, he can rule it out. I ask you if you were betting on the races that occurred there, in the handbooks outside of New Orleans, or in other places?

The CHAIRMAN. The Chair will rule that that is out of order, unless the committee feels otherwise. And it does not seem to object to the ruling of the Chair, so you need not answer that question, Colonel Bradley.

Senator LONG. All right. To make up the record, I will ask one more question along that line.

Senator BARKLEY. Is this case to be carried to the court of appeals, and you are making a record to take it up?

Senator LONG. No. The Senator and I do not agree, but I am trying to get something before the committee. You will not deny, will you, Colonel, that outside of New Orleans, through the services that came through this news service, that you placed bets on the races that were occurring at your track as the result of information that was coming to you?

Mr. LAMBERT. Objected to.

The CHAIRMAN. The same ruling as before.

Senator LONG. All right. I will not pursue that further. How long does the Chair intend to go on today?

The CHAIRMAN. We have to start at noon, over there.

Senator LONG. I have quite a few more questions I would like to ask. There will be some cross-examination, too, probably.

The CHAIRMAN. We will go ahead for awhile.

Senator LONG. How much money did Colonel Sullivan draw from the business?

Mr. BRADLEY. I never looked over the books. I don't know.

Senator LONG. Don't you know?

Mr. BRADLEY. No.

Senator LONG. You were not in on the agreement as to what Colonel Sullivan was to draw?

Mr. BRADLEY. I don't think he drew anything that I know of.

Senator LONG. He was not paid anything at all?

Mr. BRADLEY. Not that I know of.

Senator LONG. Not a cent for any service that he rendered the Fair Grounds? I will ask for the income-tax return of the Louisiana Jockey Club and Col. John Sullivan and Edward R. Bradley. I will ask the Chair to take that request for those returns under advisement.

Mr. SULLIVAN. Permit me to say to the Chair that I will be on the witness stand and the Senator can cross-examine me as to any of the returns on the Fair Grounds and mine.

Senator HASTINGS. I thought Colonel Bradley said that Colonel Sullivan acted as counsel and he at one time paid him \$10,000 a year.

Mr. SULLIVAN. He did not.

The CHAIRMAN. He said he acted as his counsel, but I did not understand him to say a definite amount.

Mr. BRADLEY. I gave Jim Murphy \$10,000 a year.

Mr. SULLIVAN. If you will pardon me, Senator. What Colonel Bradley stated was this—

Senator LONG (interposing). Mr. Chairman, I do not want the witness quoted. I object to that.

Mr. SULLIVAN. I am not putting this down as a question, but it is for the information of the committee only. What Mr. Bradley stated and stated very distinctly was that the former manager, Mr. James M. Murphy, received \$10,000 a year, and that when business became bad in the Fair Grounds, and the Fair Grounds began losing money, that Mr. Murphy's services were dispensed with, and thereafter each department had its separate head and there was no necessity for a general manager, but for the services rendered in the capacity as chairman of the board of directors Colonel Bradley has just stated that I did not receive 5 cents at the Fair Grounds. Is that correct, Colonel Bradley?

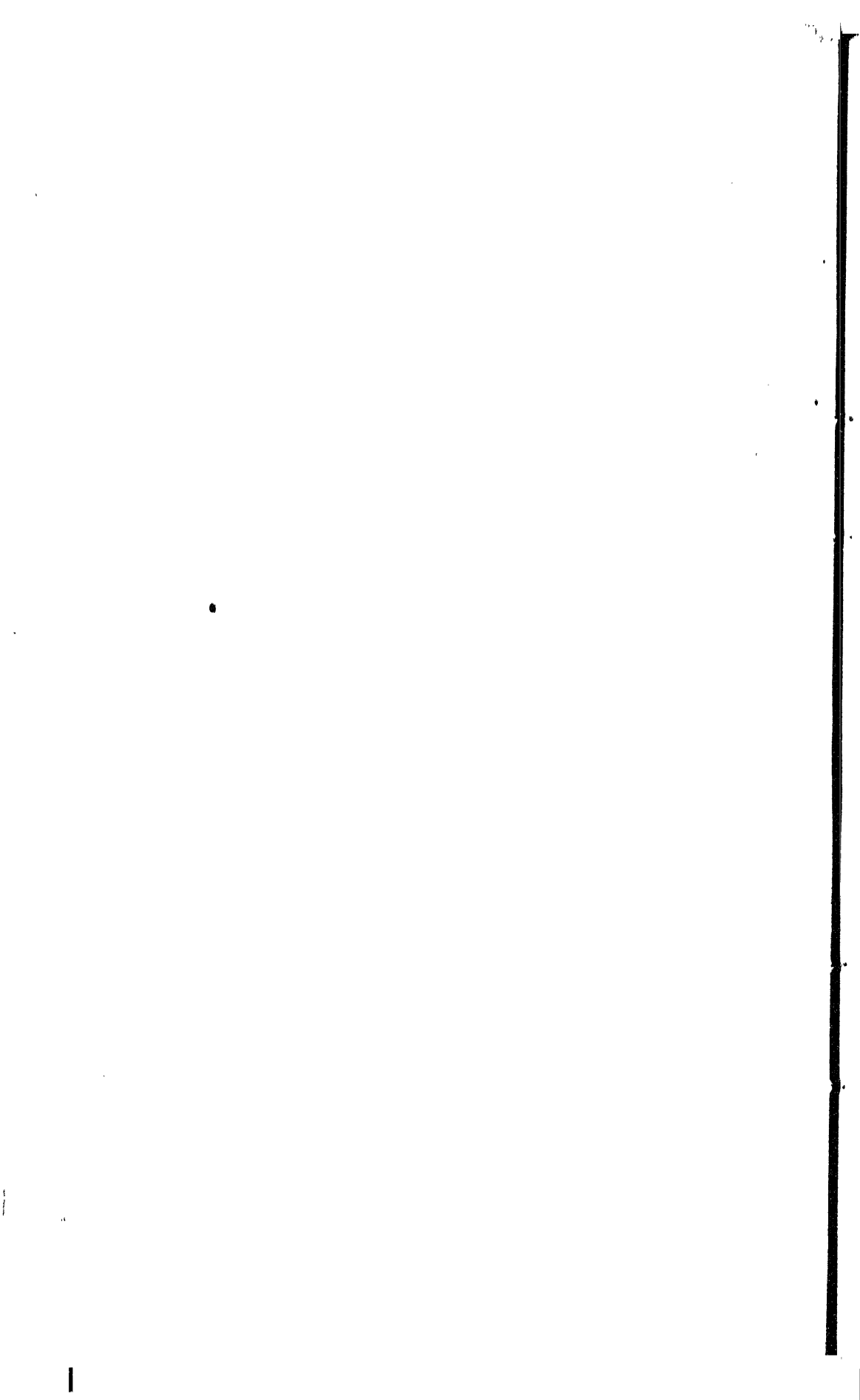
Mr. BRADLEY. That is my understanding.

Mr. SULLIVAN. That is the statement. Does that make it clear, Senator.

Senator HASTINGS. Yes.

The CHAIRMAN. The committee will recess until 10 o'clock tomorrow morning.

(Whereupon, at 12 o'clock noon, the committee recessed until tomorrow, Thursday, Apr. 5, 1934, at 10 a.m.)



CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

THURSDAY, APRIL 5, 1934

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to call, at 10:00 a.m. in the Finance Committee room, Senator Pat Harrison (chairman) presiding.

Present: Senators Harrison, George, Barkley, Connally, Costigan, Bailey, Clark, Byrd, Lonergan, Couzens, Keyes, LaFollete, Hastings.

Also present: Senator Long, Mr. Edward Rightor, counsel for Mr. Moore, Col. John P. Sullivan, Mr. D. D. Moore, Mr. Wilton J. Lambert, counsel for Mr. E. R. Bradley.

The CHAIRMAN. The committee will come to order. Mr. Bradley was on the stand when we finished. Have you any further questions to ask of Mr. Bradley?

Senator LONG. Yes; but I wanted to wait until a few more members of the committee got here, Mr. Chairman.

The CHAIRMAN. Ten o'clock is the time.

Senator LONG. I would like to try it before some of the men who will decide the case. I think the chairman has pretty well made up his mind on it, but I am trying to get some of the others. I do not mind making myself plain.

The CHAIRMAN. Whether or not the chairman has made up his mind—

Senator LONG (interposing): The chairman's attitude was well indicated on this matter.

The CHAIRMAN. The chairman does not want to get into a discussion with the Senator from Louisiana on that. He wants to run this committee in a dignified manner.

Senator LONG. I am not objecting to that. I am just asking to wait until some more of the members of the committee come in. But the chair has placed himself on record, I think. I do not think that it is going to amount to much, except as far as he is concerned.

The CHAIRMAN. If there are no further questions to propound of Mr. Bradley—

Senator LONG (interposing). I will propound the questions, if the chair insists, without waiting for the balance of the committee.

STATEMENT OF EDWARD R. BRADLEY—Resumed

(The witness was previously duly sworn by the chairman.)

Senator LONG. Now, Colonel Bradley, you stated yesterday that you stood on your constitutional rights as to designating any place in which you were conducting a gambling business, I believe. Is that true? Did I correctly understand you?

Mr. LAMBERT. That is not accurate.

Senator LONG. I am not asking your attorney. I am asking the witness to answer. There has been too much answering done for this witness already.

The CHAIRMAN. Yesterday Colonel Bradley was asked, and the committee approved it, that question that carried him out of Louisiana with reference to gambling operations, and it had nothing to do with this particular proposition, and it was stated that he need not answer.

Senator LONG. The point that I am objecting to is that without being sworn, when I was examining this witness yesterday, Mr. Sullivan got up here at length and made an explanation of what his testimony was or was to be, and I am objecting to the attorney or anyone else—if the attorney wishes to object for him, that is a different matter, but I object to the attorney sitting here and answering for this man, and this man being prompted, as was done here yesterday.

The CHAIRMAN. Mr. Sullivan's statement was made at the instance of Senator Hastings, as I recall, and the committee will consider all of those circumstances.

Mr. SULLIVAN. Mr. Chairman——

Senator COUZENS (interposing). May I ask if Mr. Sullivan has been sworn?

Senator LONG. No; he does not have to be. He testifies under privilege.

Mr. SULLIVAN. I made no statement yesterday. I propounded the question to Colonel Bradley and Colonel Bradley answered my question. I think that the record will show that.

Senator LONG. I want to hand this committee a newsprint which I understand is verified by the reporter. I want the Senators here to read the headline of what happened here in this committee, and I understand that the reporters are here and will verify that, who heard the matter, heard it in this Senate room yesterday, from this privileged appearer. I want this committee to be made aware of it.

I went to see the chairman this morning——

The CHAIRMAN (interposing). The chairman of the committee has seen the paper.

Senator LONG. I went to see the chairman of the committee this morning, and the chairman stated that if that charge happened to him, he would resent it. I am bringing the matter to the committee.

The CHAIRMAN. The Senator need not misquote the chairman. The Senator came to me and asked me if I had read the paper, and I told him that I had, and he asked what we should do about it. I said in Mississippi, I think it was——

Senator LONG (interposing). No; you did not say Mississippi.

The CHAIRMAN. Well, what I told him was that they resent propositions when people are called and instead the Senator from Louisiana asked that the stenographer take it down.

Senator LONG. The Senator from Louisiana is willing to put himself at the disposal of the committee to have this thing handled in whatever way this committee elects. I want to place myself lawfully, regularly, and legally before the committee. I understand the Senator from Mississippi, and he understands me. I now present to this Senate that there has been published throughout this country, and I understand the witnesses are here, that this man who has not

yet been sworn, has conducted himself before this committee in this manner, that he has applied epithets here in this room under this privilege.

The CHAIRMAN. The chairman of the committee did not hear any epithets.

Senator LONG. I ask now that the committee consider whether or not it ought not to hear evidence to see whether or not this happened in this committee room.

The CHAIRMAN. This committee is investigating the confirmation of Mr. Moore here, and it is not going to be diverted into other investigations until it finishes this one.

The chairman will submit the request of the Senator to the committee later on; not at this particular time.

Senator LONG. I want to bring to this committee the fact that it should take cognizance of this matter and formulate its own action with regard to it.

Senator COUZENS. The committee will decide that for itself without instructions from the Senator from Louisiana.

Senator LONG. I am not asking you to take any instructions from me. I am simply asking the Senate to take cognizance of these publications.

The CHAIRMAN. The committee cannot tell what is being published in the papers. It cannot direct what is being published in the papers. The chairman of the committee heard nothing like that from the witness.

Senator BARKLEY. Can we not make some progress toward finding out whether Mr. Moore is qualified for this job?

The CHAIRMAN. That is what we are trying to do now.

Senator LONG. Mr. Bradley, did you state yesterday that you stood on your constitutional rights and refused to answer as to designating the places where you conduct gambling houses?

Mr. LAMBERT. I object, may it please the committee. There is no such thing, I submit. The question arose on something in regard to Florida, and the committee ruled that nothing could come in here except relative to what the situation was in Louisiana, and nothing could come in outside, and I take an exception to the statement.

The CHAIRMAN. That is what the understanding of the chairman of the committee is.

Senator LONG. The question was, "Do you run a gambling house"——

The CHAIRMAN. We do not care anything about hearing a rehash of this witness' testimony. The committee ruled yesterday that to go into an investigation of Mr. Bradley's business outside of Louisiana, gambling or whatnot, is disconnected from this particular case and ought not to be brought into this matter.

Senator LONG. Did you make the answer yesterday, Mr. Bradley, that follows:

Mr. BRADLEY. I told you that I gambled. When you specify any place, I stand on my constitutional rights.

Mr. LAMBERT. That was before the objection, I submit. The record speaks for itself.

The CHAIRMAN. The committee will take cognizance of that fact.

Senator LONG. Can't I ask the question? I asked him, "Did you make this answer yesterday?"

Mr. LAMBERT. I object.

Senator LONG. And didn't you answer:

I told you that I gambled. When you specify any place, I stand on my constitutional rights.

The CHAIRMAN. I think the record speaks for itself.

Senator LONG. Now, Mr. Bradley, I was asking you about the manner of betting on the race track at New Orleans. You conduct there what is known as the pari mutuel racing, as I understand it?

Mr. BRADLEY. Pari mutuel betting; yes.

Senator LONG. Pari mutuel. Those odds are determined by the amount of money that you throw into the mutuels. Maybe you can explain it better to me than I can to you, because I have never seen it.

Mr. BRADLEY. That is correct, Senator.

Senator LONG. Mr. Chairman, I should like to call a witness, an attorney, who has stated to me that he has just come down here and has to go back. It will only take about one moment to take his testimony.

He is Mr. Grace, an attorney here. Will it be permissible just to bring him around and just to ask him a few questions?

The CHAIRMAN. All right.

STATEMENT OF WILLIAM C. GRACE

(The witness was duly sworn by the chairman.)

Senator LONG. Mr. Grace, where do you live?

Mr. GRACE. Washington.

Senator LONG. What is your occupation?

Mr. GRACE. Lawyer.

Senator LONG. Have you ever been in New Orleans?

Mr. GRACE. I have.

Senator LONG. Have you ever been in the Fairgrounds Race Track in New Orleans?

Mr. GRACE. I don't know which race track. I was at the spring meeting of 1927.

Senator LONG. There in the city of New Orleans?

Mr. GRACE. Yes.

Senator LONG. Did you have opportunity to discuss the business there of betting on any of the horses?

Mr. GRACE. I was the guest of Abraham Lurie, of New Orleans, formerly of the Hibernia Bank. We went to the races for I think three successive days.

Senator LONG. I will ask you if you were given any instructions by any of the men in charge there about the transacting of this affair.

Mr. GRACE. I met a man at the——

Mr. RIGHTER (interposing): I object to that. We object to that, Senator. This gentleman is going to relate some information that he received from someone else.

Senator LONG. No, sir.

Senator COUZENS. Let the committee decide after we hear the testimony.

The CHAIRMAN. What is the question, Senator Long?

Senator LONG. I will ask to have it read.

(The question referred to was thereupon read by the reporter, as follows:)

Senator LONG. I will ask you if you were given any instructions by any of the men in charge there about the transacting of this affair

The CHAIRMAN. Was Mr. Sullivan present?

Mr. GRACE. I cannot answer, sir.

The CHAIRMAN. Was Mr. Moore present?

Mr. GRACE. I know nothing about that. I simply know what happened. That is all.

Senator LONG. Mr. Chairman, are you just going to keep out all of the testimony? Is there just going to be no testimony?

The CHAIRMAN. The witness is a lawyer.

Senator LONG. Yes, sir.

The CHAIRMAN. He knows whether or not some hearsay testimony will come in under this evidence which he is about to give.

Senator LONG. I am asking him about the business conducted with the man in charge there. Colonel Sullivan is the head of it.

Go ahead, Mr. Grace, and, if they stop you, all right.

Mr. GRACE. Abraham Lurie took me to the Ponce de Leon Hotel on the morning of this particular day and introduced me to a man who said that he was one of the officials of the track. I don't know whether he was or not. He said, "Are you going to the races this afternoon?"

I said, "Yes."

He left for a moment and then came back and handed us a program with some horses marked on it, and with instructions what to play. We did. Mr. Lurie bet substantially, and I bet a little, and all the last three races came in as they were marked.

That is all I know.

Senator LONG. That is all for the witness. You can have the witness.

Senator BARKLEY. Did you win or lose on that bet?

Mr. GRACE. I won.

Senator BARKLEY. Mr. Chairman, I insist that that disqualifies Mr. Moore for appointment as the collector of internal revenue.

The CHAIRMAN. You do not know who the fellow was?

Mr. GRACE. No.

Senator LONG. One of the gentlemen representing himself as one of the officials of the track there.

Mr. GRACE. He said he was.

Senator LONG. He told you what to bet on, and marked them up, and they came right out.

The CHAIRMAN. You do not know who he was, and do not know whether he was an official?

Mr. GRACE. No.

Senator BARKLEY. Did you ever do that on any other track?

Mr. GRACE. I never did.

Senator LONG. They don't do that on any others quite as well as the do there.

Senator BARKLEY. You are more of an expert than I am.

Senator LONG. Do you want to make a speech on it? Mr. Chairman, I will ask Colonel Bradley some further questions.

FURTHER STATEMENT OF EDWARD R. BRADLEY

(The witness was previously duly sworn by the Chairman.)

Senator LONG. You have just heard the witness tell something of your business. That is the business in New Orleans for which you hired the services of Colonel Sullivan?

Mr. RIGHTOR. That is not the fact. The witness said it was the spring meeting, and the spring meeting takes place at the Jefferson track, and Mr. Bradley has nothing to do with the Jefferson track. That is your track, Senator. [Laughter.]

Senator LONG. Mr. Chairman, I will have to state that I will ask that this lawyer be at least made to conform himself to the record. I further state that his statement is an infamous falsehood, and not a word of truth is in it, and I will state now that I have never been inside of a race track in my life and never bet on a horse race in my life and never owned any stock in one in my life.

The CHAIRMAN. The witness said it was at a race track there, but he did not know the name of the track.

Senator LONG. There is only one in New Orleans.

Mr. RIGHTOR. May I have the privilege of saying this? That the statement that I made an infamous falsehood is ridiculous. He would never say that if there were not a lot of policemen around.

Senator LONG. Step outside and I will slap your jaw.

Mr. RIGHTOR. You would not do a thing to me, old man.

Senator LONG. Mr. Chairman, I would have the right to ask him questions.

The CHAIRMAN. The committee will be in order.

Senator LONG. I have the right to ask the witness questions which I submit I am trying to do reasonably and properly. Now, you own your race track in New Orleans, do you not?

Mr. BRADLEY. No, sir; I sold it.

Senator LONG. What is that?

Mr. BRADLEY. I sold the track.

Senator LONG. It was in New Orleans? It was in the city limits of New Orleans?

Mr. BRADLEY. The Louisiana Jockey Club Fairgrounds is in New Orleans.

Senator LONG. In New Orleans?

Mr. BRADLEY. Yes.

Senator LONG. I understand.

Your attorney has spoken about the Jefferson race track. You understand that that is in Jefferson Parish, do you not?

Mr. BRADLEY. Oh, yes.

Senator LONG. I will ask you to please revert to the question which I had asked you. Please state it.

How are the mutuel bettings operated there? Is it done by the amount that is bet controlling the odds?

Mr. BRADLEY. Yes.

Senator LONG. I want you just to assume this. I am not accusing you, but I am asking you as a hypothetical question—if you own the horses that race, own the management of the track, and the management of the track is in charge of the mutuels, all of which you testified yesterday, it would be within your power to fix the races about like you wanted them and to take advantage of the mutuel odds and bet your money on the long shots and let the others that bet on the favorites be wiped out?

That would be possible? I am saying that that is possible, not that you would do that.

Mr. BRADLEY. No, that is not possible.

Senator LONG. It is not possible?

Mr. BRADLEY. No.

Senator LONG. Has there been an enormous amount of publicity in the New Orleans papers, the sporting columns, alleging that that has been done and is being done?

Mr. BRADLEY. It is not true.

Senator LONG. But you know that that publicity has been there, don't you, Colonel?

Mr. BRADLEY. No.

Senator LONG. Alleging that that has been done all the time?

Mr. BRADLEY. No.

Senator LONG. Then you say it could not be done. Why couldn't it be done?

Mr. BRADLEY. Too many men interested.

Senator LONG. Too many men interested. That is the only reason that you know?

Mr. BRADLEY. Well, it is protected so that it would be impossible.

Senator LONG. How have you it protected so that it is impossible?

Mr. BRADLEY. Well, you would have to fix all the jockeys, all of the officials, and that would be impossible. There were probably 400 men employed there.

Senator LONG. You would have to fix everyone? You hire the man that operates the mutuel? You pick those men?

Mr. BRADLEY. They are honest men.

Senator LONG. You pick them because they are honest men?

Mr. BRADLEY. Yes, sir.

Senator LONG. In other words, you pick the men there, and if your men were picked right, with you running the track, betting in your own till, it could be done with those men, if those men could be made to do what you would ask them to do, if they asked them to do something that was wrong.

Mr. BRADLEY. Then there are the stewards right there for protection.

Senator LONG. Who hires the stewards?

Mr. BRADLEY. The Louisiana Jockey Club.

Senator LONG. You hire the stewards, and you have got the horses, and you hire everything? It is right under you, and you are running it. That is true, isn't it? You bet in your own till. Do you call that an ethical gambling business?

Mr. BRADLEY. I think it is the squarest game in the world. I have never seen a crooked race in my life.

Senator LONG. Never saw a crooked race in your life?

Mr. BRADLEY. No.

Senator LONG. And you call it ethical gambling where you put yourself in charge of the accounting, and in charge of the betting, and in charge of all the balance of it?

Mr. BRADLEY. Oh, no; I am not.

Senator LONG. Do you know all of the Sullivan brothers, or is John Sullivan the only one that you are interested in?

Mr. BRADLEY. I know Frank Sullivan.

Senator LONG. He has another one.

Mr. BRADLEY. I don't know the others. I know he has another brother, but I don't know him.

Senator LONG. Do you know the one that is connected with the wire service?

- Mr. BRADLEY. I did not know he was connected with wire service.
- Senator LONG. What is the name of that concern?
- Mr. BRADLEY. I beg your pardon.
- Senator LONG. What is the name of that concern?
- Mr. BRADLEY. The Western News Co., I believe.
- Senator LONG. The Western News Co.
- Mr. BRADLEY. I am not sure.
- Senator LONG. I understood that name was the Union News Co., wasn't it?
- Mr. BRADLEY. Maybe it is.
- A VOICE. It is the General News Co.
- Mr. BRADLEY. General News Co. Maybe it is.
- Senator LONG. All right.
- Are you interested in racing in Kentucky, too? You said you were yesterday, I believe—at Lexington.
- Mr. BRADLEY. Was I interested? I did have some stock in the old Kentucky Jockey Club.
- Senator BARKLEY. Will you speak a little louder?
- Mr. BRADLEY. What?
- Senator BARKLEY. Could you lift your voice a little?
- Mr. BRADLEY. Some years ago I was interested—I had some stock when they revived racing in Kentucky, but I sold it.
- Senator LONG. What was the name of that track? Was it the Kentucky Jockey Club?
- Mr. BRADLEY. Kentucky Jockey Club, Lexington. Ky.
- Senator LONG. Kentucky Jockey Club.
- Mr. BRADLEY. Yes.
- Senator LONG. What were you in that?
- Mr. BRADLEY. I just had a few shares of stock in Lexington.
- Senator LONG. What year was that?
- Mr. BRADLEY. 1910.
- Senator LONG. How late?
- Mr. BRADLEY. I don't remember when I sold it. It did not amount to much.
- Senator LONG. Did you have any in 1923?
- Mr. BRADLEY. I could not remember.
- Senator LONG. Was it as late as, say, 10 years ago that you had some stock in it?
- Mr. BRADLEY. I don't think at that time; no.
- Senator LONG. All right. That is all.
- Mr. RIGHTOR. Colonel Bradley, we are only interested in you and your testimony in as far as it bears upon the appointment of Mr. D. D. Moore. Are you acquainted with Mr. D. D. Moore?
- Mr. BRADLEY. I don't remember ever seeing him in all my life.
- Mr. RIGHTOR. You never saw him before you entered this room?
- Mr. BRADLEY. No.
- Mr. RIGHTOR. As to Senator Long, are you acquainted with the Senator?
- Mr. BRADLEY. I met the Senator once. One time.
- Mr. RIGHTOR. You did. Where?
- Senator LONG. When? I never saw him in my life until he walked into this room.
- Go ahead. Let us see what he is saying.
- Mr. RIGHTOR. Where did you meet him?

Mr. BRADLEY. John Sullivan introduced me to him in the Roosevelt Hotel.

Mr. RIGHTOR. Did you have any business dealings with him or political dealings?

Mr. BRADLEY. No.

Mr. RIGHTOR. What was the subject of the conversation?

Mr. BRADLEY. Well, when I left Florida, I dropped over to New Orleans to look over the plant and meet John Sullivan. He said, "Well, we have elected a very good man for Governor."

I said, "Yes; I understand you had quite a campaign. Do you like him very much?"

He said, "Yes, I think he will make a very good Governor."

He said, "But he is"——

Senator LONG (interposing). I object to the conversation between Sullivan and Bradley out of my presence.

The CHAIRMAN. I think it might bear on the case.

Mr. BRADLEY. Shall I go on?

Mr. RIGHTOR. Go ahead.

Mr. BRADLEY. He said, "Unfortunately, this man is going into his office owing some money."

"Well," I said, "we all get in hard luck at times."

He said, "I would like to help him clean up his debts."

"Well," I said, "what have you in mind?"

"Well," he said, "I would like to contribute \$5,000."

I said, "I will let you have the \$5,000." And I gave it to John Sullivan. I don't know whether it was that afternoon or the next morning he came along with the Senator and said, "I want to introduce you to our Governor-elect."

I said, "I am glad to meet you," and spoke a few words.

And he said, "I want to thank you for your donation."

I said, "Don't thank me. Thank John Sullivan."

Mr. RIGHTOR. You gave the \$5,000 to Colonel Sullivan to pay Senator Long's political debts, and Senator Long, when he met you afterward, thanked you for the \$5,000 that you turned over to Colonel Sullivan.

Mr. BRADLEY. He did not mention the amount. He said, "I thank you for the donation."

And I said, "Don't thank me. Thank John Sullivan."

Mr. RIGHTOR. Take the witness.

Senator LONG. Did this happen, you say, in the Roosevelt Hotel?

Mr. BRADLEY. Yes.

Senator LONG. I had never seen you before and you had never seen me before, as I understand.

Mr. BRADLEY. I never had seen you before.

Senator LONG. Just walking through the lobby.

Mr. BRADLEY. No; you were introduced to me.

Senator LONG. Colonel Sullivan had to introduce me to you?

Mr. BRADLEY. Yes.

Senator LONG. And I said, "I thank you for the donation"?

Mr. BRADLEY. Yes.

Senator LONG. Where were you standing?

Mr. BRADLEY. In the lobby of the hotel.

Senator LONG. What part of the lobby?

Mr. BRADLEY. Well——

Senator LONG (interposing). It is a long lobby. It goes from block to block. What part of the lobby?

Mr. BRADLEY. Well, near the booking stand. Near the rooming part.

Senator LONG. Now, Mr. Bradley, you know that Colonel Sullivan and myself have been political opponents there for a number of years, don't you? You know that I have said many things in the paper about him and he has said many things in the paper about me, don't you?

Mr. BRADLEY. Yes, since——

Senator LONG (interposing). You know that I have charged him with——

Senator BARKLEY (interposing). Let him finish the answer.

Mr. BRADLEY. Since John Sullivan told me you and he fell out.

Senator LONG. That has been a number of years.

Mr. BRADLEY. It was 1928 that I met you.

Senator LONG. And you know that I have accused him there in the papers and public speeches of being a big gambler in that city, time after time, don't you, for all of these 3 years' time?

Mr. BRADLEY. Well?

Senator LONG. You know that, don't you?

Mr. BRADLEY. I don't know everything that you say.

Senator LONG. You know that beginning with the year 1929, early in the year 1929, Mr. Sullivan was in charge of an effort to impeach me as Governor of Louisiana, or was connected with that effort. That is 5 years ago. And you know——

Mr. RIGHTOR (interposing). Let him answer.

Senator LONG. You know that, don't you?

Mr. BRADLEY. No.

Senator LONG. During all of this time have either you or Mr. Sullivan, in all of the charges that Mr. Sullivan has made and that you have seen made, have you ever heard Mr. Sullivan or yourself ever saying that when I was making these attacks upon you and upon him, that you had ever contributed a dollar to any politics that I was interested in?

Mr. BRADLEY. Why would I tell it?

Senator LONG. I see. Suppose I told you that Mr. Sullivan collected over \$100,000 that he is supposed to have spent for Huey Long in New Orleans, where we got less than 12,000 votes?

Suppose I told you that Mr. Sullivan had collected over \$100,000 that was supposed to have gone to the Long campaign that nobody knows where it went, unless he does?

Mr. BRADLEY. I think he would give an account of it. I expect he is an honorable gentleman.

Senator LONG. No amount was mentioned? I did not say to you it was \$5,000?

Mr. BRADLEY. No, sir.

Senator LONG. Did you know me when you walked in the committee room yesterday morning?

Mr. BRADLEY. Yes; I knew you.

Senator LONG. You knew me. You recognized me when you walked in here yesterday morning?

Mr. BRADLEY. No; I recognized you when you stood up and talked.

Senator LONG. You did not recognize me when I first came into the room?

Mr. BRADLEY. No. I had a very undesirable seat.

Senator LONG. You did not remember me well enough to speak to me, or anything like that, when I came into the room?

Mr. BRADLEY. I thought I would wait for you to recognize me.

Senator LONG. You were waiting for me to recognize you?

Mr. BRADLEY. Yes.

Senator LONG. And that was the reason you did not speak. What year was that?

Mr. BRADLEY. 1928.

Senator LONG. What time in 1928?

Mr. BRADLEY. Between the 10th and the 15th of April.

Senator LONG. That has been 6 years, and you have never said a word about this before?

Mr. BRADLEY. No.

Senator LONG. Was this before or after the governor's race?

Mr. BRADLEY. This was after the Governor's race. You were then elected.

Senator LONG. I had been elected Governor. When had the Governor's race occurred?

Mr. BRADLEY. I don't know.

Senator LONG. What month was this?

Mr. BRADLEY. What month did I meet you?

Senator LONG. Yes.

Mr. BRADLEY. Between the 10th and 15th of April.

Senator LONG. Between the 10th and 15th of April. All right. In New Orleans. All right.

That is all.

The CHAIRMAN. That is all, unless there are some other questions.

Mr. LAMBERT. No, sir.

Senator LONG. I was not in the presence of either you or Colonel Sullivan when he was discussing getting money from you to pay up debts of my campaign?

Mr. BRADLEY. No.

Senator LONG. Suppose I told you there were no debts?

The CHAIRMAN. Who is the next witness?

Mr. BRADLEY. Am I excused?

The CHAIRMAN. You are excused.

Mr. BRADLEY. Good-bye, gentlemen.

The CHAIRMAN. Who is your next witness, Senator Long?

Senator LONG. I will call Mr. Harry Siener.

STATEMENT OF HARRY SIENER

(The witness was duly sworn by the chairman.)

Senator LONG. Mr. Siener, what is your business?

Mr. SIENER. Well, I am not doing anything right now, Senator. I am out of employment.

Senator LONG. Your business is what?

Mr. SIENER. I am not doing anything right now, Senator.

The CHAIRMAN. Talk a little louder.

Mr. SIENER. I am not doing anything right now. I am out of employment.

Senator LONG. Where were you last employed?

Mr. SIENER. In the Internal Revenue Office.

Senator LONG. How long had you been there?

Mr. SIENER. Nine years up to the date of February 1, when I was let out.

Senator LONG. I will ask you to state——

The CHAIRMAN. February 1 of this year?

Mr. SIENER. 1934.

Senator LONG. I will ask you to state whether or not you were given to understand in advance that you might be dismissed from that employment and, if so, why; or, if you were given to understand that you might stay there, and, if so, how.

Senator CONNALLY. Mr. Chairman, I do not want to protest, but this line of testimony about "given to understand"—it is not competent. It does not say how.

Senator LONG. I mean if he was told.

Senator CONNALLY. We ought to confine this more to the nature of testimony, or we will never get anywhere.

Senator LONG. I am offering testimony to show who is running this office.

The CHAIRMAN. State your connection with the proposition.

Mr. SIENER. Here is how it happened, gentlemen. After Mr. Moore was sworn in, about 30 days after that, I met a friend of mine who is also a friend of Colonel Sullivan's.

He said to me, "How are you fixed down there?"

I said, "I don't know, but," I said, "the Colonel knows that I am down there. He and I have known one another for 30 years."

Isn't that right, Colonel?

Senator LONG. Go ahead.

You might have had Bradley give you money if he recognized you.

The CHAIRMAN. Let us confine ourselves to the testimony.

Mr. SIENER. He said, "If you are right, you are set."

I said, "What do you mean by 'right?'"

He said, "Politically."

I had to study that because there were so many of them running at that time it was hard to pick the winner. I have dabbled in politics a long time, and I have tried to figure which was the strongest and which was the best pick, but there were so many at that time that it was pretty hard for me to decide who was going to be the winner.

So I did not say any more, but I depended on being acquainted with the Colonel, and my chance was very good.

And another friend of mine came to me and said, "I am going to go and see the Colonel for you."

And I said, "I don't think it is necessary, because the Colonel knows that I am there."

He said, "I am going to see him anyhow."

I said, "That is up to you. If you want to go, you can go and see him."

About 3 days after that he came to me and he said to me, "The Colonel says if you come over there and see him, he will be able to put you back on the temporary roll."

I know that cannot be done under the laws of the Internal Revenue Office.

Senator LONG. It is being done, though. You are mistaken.

Mr. SIENER. Well, I figured this; here is what it was: My age could not permit me to make out a new application. It would not be accepted because of my age, and right now there is no chance of me getting a job, being over 45, and I am too old to get a job and too young to get into an asylum. So I did not go near the Colonel.

During the fight for the mayoralty I guess I was on the wrong side, and figured I picked out the best man, and the day after election I was released from my position to take effect as of February 1, 1934.

Senator LONG. Did you see Mr. Rightor later, the gentleman who is acting as Mr. Moore's counsel here?

Mr. SIENER. Yes, sir; I know Mr. Rightor.

Senator LONG. State what happened in that conversation.

Mr. SEINER. Well, there was a gentleman that was placed into the internal revenue office by the name of Adolph Meyer, a very nice man. I knew him when he was connected with Schwarz Bros., wholesale dry goods, on Canal Street, and they asked me to take Mr. Meyer out to break him in as a field deputy.

I told them I would be glad to do it and teach him all I knew. I took him out with me and we had a case over in the Canal Bank of New Orleans, and in coming through the corridor of the Canal Bank, Mr. Meyer saw Mr. Rightor, and Mr. Rightor addressed him: "Well, Adolph, how are you? Are you fixed all right?"

He said, "Yes."

He said, "Did John fix you?"

Mr. Meyer said, "Yes; John fixed me all right."

I did not know what John he meant, but I spoke to him afterward, and I said, "Mr. Meyer, by the way, how did you get into the internal revenue office?"

He said, "Col. John Sullivan put me there."

Senator LONG. All right.

Mr. Rightor asked him if John had fixed it, and he said that John had?

Mr. SIENER. Yes.

Senator LONG. He explained that he was referring to Mr. John P. Sullivan.

Mr. SIENER. Yes, sir. I did not know he was until I asked him, and then he said it was John P. Sullivan.

Senator LONG. Is it understood that he is putting them all in?

Mr. SIENER. From what I understand.

The CHAIRMAN. State of your own knowledge.

Mr. SIENER. Yes, sir. Well, I am only going by hearsay. I could not bring that up, but everybody I spoke to told me that they were put there by Col. John P. Sullivan.

Senator LONG. He is running the office.

That is all. You can have the witness.

The CHAIRMAN. Are there any questions?

Mr. RIGHTOR. None at all, sir.

The CHAIRMAN. All right, Mr. Siener; thank you very much.

Mr. SIENER. Not at all.

Senator LONG. I will call Mr. Manning.

STATEMENT OF FRANK W. MANNING

(The witness was duly sworn by the chairman.)

Senator LONG. Mr. Manning, where do you live?

Mr. MANNING. Forty-three hundred Palmyra, New Orleans.

Senator LONG. How long have you lived there?

Mr. MANNING. About 7 years.

Senator LONG. I will ask you to please state what has been your several occupations in the last several years.

Mr. MANNING. Mostly investigations.

Senator LONG. Whom have you been employed by in all of these times?

Mr. MANNING. Well, various companies around the city.

Senator LONG. I have forgotten the name of the gentleman that I asked if you had seen, that was working in the Internal Revenue office. What was that gentleman's name? The one that has been transferred over to the Home Loan Bank.

Mr. MANNING. G. C. Hayman.

The CHAIRMAN. Give the committee a little more detail of your business experience. Whom have you been employed by?

Mr. MANNING. I have been employed by companies——

Senator CONNALLY. You are a detective, aren't you? That is what you mean to convey?

Mr. MANNING. More or less in commercial work. Not just in criminal work. I have done some criminal work. I have known this man Hayman——

Senator CONNALLY. Whom do you work for? For what companies?

Senator LONG. Give me your letters of recommendation. I think you have brought some with you.

Mr. MANNING. Here they are.

Senator BARKLEY. I do not think he needs letters of recommendation. I think he ought to be able to tell whom he worked for.

Senator LONG. I did not mean to stop him.

Mr. MANNING. I worked for most of the Homesteads in the city of New Orleans, some insurance companies, and various adjustment companies, mostly on a contingent basis.

Senator BARKLEY. Contingent on what?

Mr. MANNING. Contingent on the recovery of judgments, deficiency judgments.

Senator BARKLEY. What is the nature of the Homestead? Is that a company?

Mr. MANNING. Homesteads in the city of New Orleans as a rule finance property owners in the building of homes, make loans on property.

Senator BARKLEY. Sort of a building and loan association?

Mr. MANNING. Building and loan association.

Senator BARKLEY. What is the function of an investigator in connection with that?

Mr. MANNING. Well, a lot of times people fail to pay for the property, and the homesteads take a deficiency judgment against them, and very often they cover up their assets, and it takes an investigator to find them, to execute those judgments.

Senator BARKLEY. Was your compensation dependent on how much you found?

Mr. MANNING. In some cases. In some cases I worked on a fee basis.

The CHAIRMAN. All right, Mr. Manning.

Senator LONG. Go ahead.

Mr. MANNING. This man Hayman was formerly a superintendent for the Pinkerton Detective Agency in the city of New Orleans, and later worked down at the race track for Mr. Sullivan as a detective on the track.

He told me that he had gotten a job in the Internal Revenue Bureau and he had been sent up in northern Louisiana to work for some special agents, and was working on a man by the name of Gay.

He said he was unable to get any information up there, and he came back to New Orleans.

Senator LONG. What do you mean by "unable to get any information"?

Mr. MANNING. Unable to get any evidence, or something of the kind, and he came back to his office, and they did not seem to like it, and he and Mr. Moore had some kind of an argument, and he told him he would have to see Mr. Sullivan if he did not want to follow orders, and they took him out and placed him over in the home-loan bank.

Senator LONG. Mr. Moore told him that he would have to see Mr. Sullivan if he did not want to follow orders, and get up some information on Mr. Gay?

Mr. MANNING. That is what he told me. The next time I saw him he was over in the home-loan bank. I went over and had a talk with him, and he told me what was going on in the way of a kind of a racket being worked by the home-loan bank.

The CHAIRMAN. We do not want to go into an investigation of the home-loan bank.

Mr. MANNING. I think some of your Senators might be interested in it. I don't know.

Senator BARKLEY. Let the witness determine whether we will be interested in it.

Senator CONNALLY. Evidently he is interested in it.

Mr. MANNING. The home-loan bank down there is making a lot of loans, as you know. The Homestead stock is being sold for about \$25 a share. For instance, if I own a home through one of these Homesteads—

Senator LONG (interposing). That is a building and loan.

Mr. MANNING. That is a building and loan.

If I owed them \$5,000 and I went to them and I said, "Well, can I pick up some shares of your stock at \$25 a share and pay my loan back?" They would not permit that to the individual. He would have to go to a little corporation that is created by the Homestead or the building and loan or whatever you want to call them, and make some arrangements with this little company, and let them get it back in stock. Then they will send him over to the Home Loan Bank and he will make a loan from the Home Loan Bank of approximately \$5,000, which won't go into the Homestead, but will go into this little third party that is created to take that mortgage up with this stock.

Senator LONG. All right, now. Make it as narrow as you can. Go ahead with Mr. Hayman.

Mr. MANNING. I went over there and he suggested that I organize a corporation for that purpose.

Senator LONG. Mr. Hayman now is an appraiser for the Home Loan Bank?

Mr. MANNING. I don't know whether he is an appraiser. He is one of the men there.

Senator LONG. Go ahead.

Mr. MANNING. He suggested that I organize a corporation. He said, "With assistance, it is possible to make about \$1,500 on each deal."

Senator LONG. On each loan that the Home Loan made?

Mr. MANNING. Of buying the mortgages in.

Senator LONG. Go ahead.

Mr. MANNING. So I went over there and I took a man with me posing as a rancher from down in Central America. I believe the gentleman is going to testify here. He was to be the financier.

Senator LONG. You took over a disabled veteran of the World War that I gave you?

Mr. MANNING. Yes, sir.

Senator LONG. He went over there as the man who was going to finance the racket?

Mr. MANNING. Yes, sir.

Senator LONG. Did he tell you they were running that racket with several other companies down there?

Mr. MANNING. Absolutely. It is known commonly throughout the city of New Orleans just as well as they know of this committee.

Senator LONG. So you came back to me with the information, and I gave you a World War veteran that was to be in the picture?

Mr. MANNING. Yes, sir.

Senator BARKLEY. He posed as a western rancher?

Mr. MANNING. This man was recommended for the Distinguished Service Medal for doing some work down in the Army Intelligence in Panama. I think he has some kind of a reward coming to him, and showed his letters, and so forth, and he talked this proposition over, and they wanted us to organize this corporation.

Senator LONG. So you two went back to this fellow, so that I could get the evidence?

Mr. MANNING. Yes, sir.

Senator LONG. Then what happened?

Mr. MANNING. We talked it over and he suggested that we come out and see him that night, and get busy and organize the corporation right away for the purpose.

Senator LONG. All right. What stopped it going through? We were really drawing the papers to sign him up, were we not?

Mr. MANNING. The only thing that stopped it was our departure from the city.

Senator LONG. Wasn't there something that blocked it, that scared us for a while, besides that?

Mr. MANNING. Somebody subpoenaed me in this thing when I told you about it.

Senator LONG. Your name was published in the paper.

Mr. MANNING. My name was published in the paper, and I did not think that it would be a very good idea to go back.

Senator BARKLEY. So that when your name became public you did not play detective in this matter any longer?

Mr. MANNING. Well, no; I could not. It would not be very easy.

Senator BARKLEY. So you quit.

Senator LONG. We will give you a little more information. Did you get any other call after you had your name published, that you were to be a witness?

Mr. MANNING. I got a call from a man by the name of Phil Gaffney.

Senator LONG. Who is Phil Gaffney?

Mr. MANNING. Well, I did not know at the time who he was. They tell me he is secretary to the leader of the third ward there.

Senator LONG. That is Colonel Sullivan's ward in New Orleans?

Mr. MANNING. Yes. He wanted to know, he was very anxious to know when I was leaving, and wanted me to meet him at some designated spot, and wanted to talk things over. However, I did not meet him.

Senator LONG. Did he tell you he had anything for you?

Mr. MANNING. He said he probably did. He did not say anything definite.

Senator LONG. You came to my room and asked me about meeting him, didn't you?

Mr. MANNING. Yes.

Senator LONG. Had you been shielded by anyone else? Were you the one that Mr. Sullivan's brother-in-law was following? The one that was following the automobile?

Mr. MANNING. I don't know.

Senator LONG. No. That was the other one. You are not the man. I will give that a little later, by another witness. You can have the witness.

Mr. RIGHTOR. Mr. Manning, when did you come up from New Orleans?

Mr. MANNING. Sunday night.

Mr. RIGHTOR. Is your name Frank W. Manning?

Mr. MANNING. That is right. I think you know my name.

Mr. RIGHTOR. I know your name, and I know a lot about you. You came up with Senator Long, didn't you?

Mr. MANNING. Yes, sir.

Mr. RIGHTOR. The Item Tribune publishes Monday morning that Frank Manning, of 4300 Palmyra Street, came up. Is that you?

Mr. MANNING. That is me.

Mr. RIGHTOR. And it said you are a former Prohibition Department enforcement man. Is that correct?

Mr. MANNING. Well, I worked for the Narcotic Department. I passed the examination one time, and am eligible now.

Mr. RIGHTOR. As a matter of fact, you were with that Department as a stool pigeon, were you not?

Mr. MANNING. I would not say that. I was under special appointment before for the civil service.

Mr. RIGHTOR. Didn't you act as a stool pigeon in the Prohibition Department?

Mr. MANNING. I cannot say that. I was under special appointment, appointed through Washington here.

Mr. RIGHTOR. Isn't this correct? You say you were carried on the rolls in Washington, or you were paid off according to the information that you delivered?

Mr. MANNING. Paid off from Washington on a salary basis.

Senator CLARK. What was your designation in the service?

Mr. MANNING. How do you mean?

Senator CLARK. You say you had a special appointment. What office did you hold by special appointment?

Mr. MANNING. I did the same work as anybody else did.

Senator BARKLEY. That was criminal investigation?

Mr. MANNING. Yes.

Senator BARKLEY. I thought you said awhile ago that you did not do any criminal investigating?

Mr. MANNING. I said I did some.

Mr. RIGHTOR. By the way, Mr. Manning, talking about your criminal experience, were you not indicted for arson?

Mr. MANNING. No, sir; I was not indicted for arson. I was charged I think you are familiar with the facts in that case, because I came to you and talked it over, and you said that you thought it was wrong. I was investigating a case in the city of New Orleans, where there were six men convicted.

Mr. RIGHTOR. I have here in my hand a certified copy of an information brought by District Attorney Stanley——

Mr. MANNING (interposing). The case was dismissed, wasn't it?

Mr. RIGHTOR. On October 9, 1932, certified to as late as March 31, 1934, and this information shows that Tasker Watts, Fletcher Warner, Walter Desmar, Edward Desmar, Philip Junda, and Frank W. Manning did feloniously commit the crime of arson by burning down the dwelling house of one Anthony A. Fatta, bearing the number 1015 Germain Street.

Are you the Frank W. Manning referred to in that information?

Mr. MANNING. Absolutely.

Senator CLARK. Mr. Chairman, I cannot see the materiality of the mere filing of an information.

Mr. MANNING. Well, I would like to explain that to the committee, since Mr. Rightor has brought that thing out.

I was kind of connected with an organization that Mr. Rightor was with, and I talked that case over with him.

Mr. RIGHTOR. Now, don't say that you were connected with any organization.

Mr. MANNING. Well, I was connected with the Dudley Leblano——

Mr. RIGHTOR (interposing). You came to me and pleaded with me for help.

Mr. MANNING. I came to you and talked the case over.

Senator LONG. We will get some information here that we did not want.

Senator CLARK. My objection is, Mr. Chairman, that we are wasting interminable time on absolutely immaterial matters.

Senator LONG. Mr. Chairman, this man has a right to explain this.

Mr. MANNING. I think I ought to have that.

Senator CLARK. I withdraw my objection, but I intend to object to any such testimony in the future.

Senator BAILEY. If the case was dismissed, I move that the evidence regarding it be stricken from the record.

Mr. RIGHTOR. The information shows that this gentleman is presently under indictment for arson, and the case has not been dismissed.

Mr. MANNING. Well, if the docket is that way, it has been changed up, because everybody else has been tried on the case. I was paid \$25 a day to investigate that certain case, and there is a little political business brought around it.

The CHAIRMAN. It does not seem so much to us that we ought to go into every arson case and all of the other cases that happen down in New Orleans.

Senator LONG. Just a moment, Mr. Chairman. How long ago has that been?

Mr. MANNING. What day was the date of that there? You see, the whole thing is that I was an investigator there in a case with some people that had a little political influence, and they figured that by bringing the investigator into it, they could tie it up.

Senator LONG. They were convicted, were they not?

Mr. MANNING. Yes, sir; all of them were convicted.

Senator LONG. But you were never tried?

Mr. MANNING. If Mr. Stanley in the city of New Orleans thought that he had any opportunity to convict me, he would have done it a long time ago.

Senator LONG. What date is that indictment?

Mr. RIGHTOR. The 9th of October 1932. You turned state's evidence, didn't you?

Mr. MANNING. I did not. I did not take the stand at all. It was not necessary. The assistant district attorney, Mr. Bernard Cox, told me it was all right.

"It was rather unfortunate", he said, "that they gave you that publicity, and put your name in it."

Senator LONG. You were paid \$25 a day to investigate these other people?

Mr. MANNING. Yes, sir.

Senator LONG. They were convicted?

Mr. MANNING. Yes, sir.

Senator LONG. And they filed a bill of information, not an indictment?

Mr. MANNING. There was not one iota of evidence against me in the whole doggone thing.

Senator LONG. And you saw Mr. Rightor about this as a confidential client?

Mr. MANNING. He knows that I saw him.

Senator LONG. What was it that he was connected with that you were working in at the time?

Mr. MANNING. I believe at the time I was a candidate for something there. The whole organization were working with you then on the Dudley Leblano ticket.

Senator LONG. What were you a candidate for?

Mr. MANNING. State committeeman.

Senator LONG. So you were one of the candidates submitted by Mr. Rightor against me at the last election. I did not know that. [Laughter.]

The CHAIRMAN. Were you elected?

Mr. MANNING. I resigned in favor of the constable of the first city court before the election ended. That was when the whole regular organization which is fighting the Senator now and the Senator's organization were together.

The CHAIRMAN. Are there any other questions?

Senator CLARK. You say that you were thrown out of this organization of Senator Long's when he and his present adversaries were together?

Senator LONG. No. These gentlemen were fighting us at the time.

Mr. MANNING. I have never known Senator Long for any great length of time. I don't think I have known him for over a week.

Senator BARKLEY. Did you get acquainted with him after you went down to New Orleans this last time?

Mr. MANNING. Well, I said I had been in New Orleans about 7 years. I followed the sea for quite a while.

Senator BARKLEY. You followed what?

Mr. MANNING. I followed the sea. Speaking of that work, I was under-cover agent on the *Leviathan* and the *George Washington*, running back and forth. I think I saw the Senator on a ship once and spoke to him. [Laughter.]

The CHAIRMAN. Order in the committee. You probably did. I was on the *Leviathan* one time.

Mr. MANNING. Yes, sir.

Senator BARKLEY. I do not think that that ought to be held against Mr. Moore.

Senator CLARK. That was not in your capacity as undercover agent?

Mr. MANNING. No. Somebody brought up something about the civil service. I believe you know that I qualified under the civil service, Mr. Chairman. I think you gave me a little assistance on it.

The CHAIRMAN. I do not recall. Perhaps I did. Let us not go into all of that. [Laughter.]

Let us have order in the committee.

Mr. RIGHTOR. Mr. Manning, let me ask you merely one question. Is there anything that you can state to this committee that you know of your own knowledge? Not things that were told you.

Mr. MANNING. About the only time we know anything is what they tell us, Mr. Rightor. This is what was told me.

Mr. RIGHTOR. Now answer my question: Do you know anything of your own knowledge? Answer it in any fashion you can.

Mr. MANNING. Yes, sir; I do. I know about the Homestead business there. In fact, I have bought some stock for some of the Homesteads. I think you are aware of the situation of how the Homesteads are keeping that stock down.

Mr. RIGHTOR. Is there anything further that you know of your own knowledge?

Mr. MANNING. Nothing further than I said.

Senator LONG. You know personally what they are doing about this Homestead business?

Mr. MANNING. Yes, sir.

Senator LONG. Do you know the man who was taken by Colonel Sullivan from the race track and put in the Internal Revenue—

The CHAIRMAN. That has been testified to.

Senator LONG. Sent to investigate Gay and could not find anything on Gay, and put back on the Home Loan and ready to organize another racket.

Mr. RIGHTOR. I object to that.

Senator CLARK. If the Senator wants to testify, I think he ought to be sworn.

The CHAIRMAN. The record will show what the witness testified to. Is there any other question?

Senator LONG. Do you know Colonel Sullivan's brothers, George Sullivan and Frank Sullivan?

Mr. MANNING. No, sir; I do not know the brothers. I do not know Mr. Sullivan either.

Senator LONG. You have never done me any political favor except that you were a dummy employed by Mr. Rightor's organization?

Mr. MANNING. I was not a dummy candidate. I ran on the Dudley LeManc ticket as central committeeman under the first ward, and I later resigned in favor of Phil Burns, the present constable of the first city court.

Senator LONG. You gave us considerable trouble. I remember the deal now. You are excused.

The CHAIRMAN. You are excused, then.

The CHAIRMAN. All right, who is the next witness? What is the name?

Senator LONG. Mr. Solomon, I believe, is the witness that I had—Solomon.

The CHAIRMAN. What is this witness's name?

STATEMENT OF ABRAHAM SOLOMON

(The witness was duly sworn by the Chairman.)

Senator LONG. What is your name?

Mr. SOLOMON. Abraham Solomon.

The CHAIRMAN. Mr. Solomon?

Mr. SOLOMON. Yes, sir; Abraham Solomon.

Senator LONG. Mr. Solomon, do you know the witness who has just been on the stand here, just before you testified? His name is Frank Manning.

Mr. SOLOMON. Yes, sir.

Senator LONG. How long have you known him?

Mr. SOLOMON. About 10 months—since I came to New Orleans.

Senator BARKLEY. A little louder, please.

Mr. SOLOMON. About 10 months, since I came to New Orleans.

Senator LONG. Did you meet him again in my room at the hotel the other day?

Mr. SOLOMON. Yes, sir. I think it was Friday. I think it was.

Senator LONG. What was the purpose of your meeting him there?

Mr. SOLOMON. Well, I came over to the Roosevelt Hotel, to look the Senator up. That is Senator Long. I wanted to thank him for the work that he did in behalf of the veterans, and I asked the Senator, "Could I do anything for your, sir? I would be only too glad to, or any other thing that I could do. If you want me to run an errand, or anything, I would like to pay my respects and appreciation by doing so"; that, in words, I really wanted to do something; so you said, "Yes, go along with this man. He is going over right now to see a man by the name of Heyman."

Senator CLARK. By the name of what?

Mr. SOLOMON. Heyman. "He is going there to see about this home-loan racket that is on there, and I want to see." The Senator

said he did not want to say or do anything against anyone, unless he was really sure, so he said, "Go along with him. I want you to listen in on this testimony, and see what is going on."

Senator LONG. Go ahead. So you went with him?

Mr. SOLOMON. Yes, sir. I went there. Went to the Home Loan Bank, or whatever it was.

Senator LONG. Home Loan Corporation?

Mr. SOLOMON. Home Loan Corporation, there.

Senator LONG. All right.

Mr. SOLOMON. And Mr. Manning told him that I had a little money to invest, and that he would like to see him, and what proceeding they should go to, to form a corporation; so we could buy stock; and with this stock, to buy mortgages, to get the mortgages, and then to take this here mortgage and get a loan on it, from the Home Loan Bank Corporation, and everything was all right. He said, "Yes, I am sure that that could be done very easily."

Senator LONG. Did he tell you how much you could make on every loan the Home Loan people made?

Mr. SOLOMON. I think he said something like \$1,500 a loan.

Senator LONG. Fifteen hundred a loan? Go ahead.

Mr. SOLOMON. And that could be done very easily, "If it is worked quietly," and to come back that night. But that night, it seems like Mr. Manning's name was in the paper, about being subpoenaed here by this honorable committee, and I am sure it stopped everything, see, so we just did not go back. I did not go back with him, and that is all that I can say about it.

The CHAIRMAN. Anything else, Senator?

Senator LONG. That is all.

The CHAIRMAN. Any questions?

Mr. RIGHTOR. No questions.

The CHAIRMAN. That is all.

Senator LONG. You are a veteran of the World War?

Mr. SOLOMON. Yes, sir.

Senator LONG. And you have been given some special commission, I believe, of some kind?

Mr. SOLOMON. Citation, but then I do not think I hardly deserve that. I did not do no more than any other soldier.

The CHAIRMAN. All right, Mr. Solomon, thank you very much.

Senator LONG. All right.

The CHAIRMAN. Who is your other witness?

Senator BARKLEY. Let me ask this: What name did you give when you went into the Home Loan Co.?

Mr. SOLOMON. Abraham Solomon.

Senator BARKLEY. Then the other gentlemen is mistaken, when he says you posed as a western rancher?

Mr. SOLOMON. I did, I did. I posed as a western rancher, because I owned some land out West. I told the truth.

Senator BARKLEY. You went under your right name?

Mr. SOLOMON. Yes, sir; I went under my right name.

The CHAIRMAN. All right, Mr. Solomon.

Who is the other witness?

Senator LONG. I want to call Miss Ruth Roddy.

STATEMENT OF MISS RUTH RODDY

(The witness was duly sworn by the Chairman.)

Senator LONG. Your name is Miss Ruth Roddy?

Miss RODDY. Yes.

Senator LONG. Have you ever worked in the internal-revenue collector's office?

Miss RODDY. Yes; I did.

Senator BARKLEY. A little louder, please.

Miss RODDY. I worked in the internal-revenue office 6 years.

Senator LONG. When did you cease working there?

Miss RODDY. On the 10th of November of last year.

Senator LONG. You worked there under Mr. Merrigan?

Miss RODDY. I went in under Mr. Bender.

Senator LONG. Mr. Bender?

Miss RODDY. Yes, sir.

Senator LONG. Jacob O. Bender?

Miss RODDY. Jacob O. Bender; yes.

Senator LONG. Then——

Miss RODDY. Then Mr. Merrigan succeeded Mr. Bender, and I stayed there until Mr. Moore came in. I was there a little more than 3 weeks after Mr. Moore was in there.

Senator LONG. You were discharged from there?

Miss RODDY. Yes.

Senator LONG. Where are you working now?

Miss RODDY. With the liquidators of the Hibernian Bank & Trust Co.

Senator LONG. When is the first time you ever saw or met me?

Miss RODDY. I think it was last Friday.

Senator LONG. All right.

Miss RODDY. I had a phone call.

Senator LONG. All right. Then you are a sister-in-law of Mr. Merrigan?

Miss RODDY. Yes, I am.

Senator LONG. Who was formerly the Collector of Internal Revenue there?

Miss RODDY. Yes.

Senator LONG. He came in after Mr. Bender?

Miss RODDY. Yes, he did.

Senator LONG. Was he employed while Mr. Bender was there?

Miss RODDY. Yes. He was employed while Mr. Bender was there, and before. He was there about 13 or 14 years, I think, before that.

Senator LONG. All right. You worked under Mr. Merrigan, after Mr. Bender was out?

Miss RODDY. Yes.

Senator LONG. He died, I believe, didn't he?

Miss RODDY. Mr. Bender died, yes; and Mr. Merrigan succeeded him.

Senator LONG. All right. Do you know Miss Pearl Maretsky?

Miss RODDY. Well, I don't know her very well. She came in there shortly after Mr. Moore came into office.

Senator LONG. Do you know Miss Flattery?

Miss RODDY. Yes. She came in at the same time as Miss Maretsky

Senator LONG. All right. Do you know Miss Golden?

Miss RODDY. No; I do not. She was not there when I was there.

Senator LONG. Has Miss Golden never been there yet?

Miss RODDY. Has she what?

Senator LONG. You have never seen a Miss Golden?

Miss RODDY. No; I haven't seen Miss Golden. I know that she is working there, but she was not there when I was there.

Senator LONG. Oh, yes; she came after you left?

Miss RODDY. Yes.

Senator LONG. Oh, I beg your pardon. All right. I will ask you whether or not Miss Maretsky has ever told you, or told others in your presence, as to why she came there, and how she came there?

Miss RODDY. Well, she did. You see, she rather boasted about it, having been secretary in John P. Sullivan's office, both she and Miss Flattery did, and she kind of tried to make the other girls in the office feel lower than she.

Senator LONG. Because she was——

Miss RODDY. Because she was appointed by Mr. Sullivan—put in there, rather, and she also said—I remember one incident, that she was told to close her desk in the afternoon before leaving, and she said that, where she worked before, she was used to people looking up to her, and that she didn't have to do it. I mean, just little things like that, and everybody in the office knew that she boasted working there.

Senator CLARK. Who told her to close the desk?

Miss RODDY. How is that?

Senator CLARK. Who told her to close the desk?

Miss RODDY. I think Mr. Greh did. He is the chief of the income tax division.

Senator LONG. Mr. Greh told her to close it, and she answered, I understand, that she came from a place where she didn't have to do that kind of business?

Miss RODDY. Yes.

Senator LONG. Did Miss Meretzky or Miss Flattery, or either or both, further give you to understand that they retained their contacts to some extent in Colonel Sullivan's office?

Miss RODDY. Yes. They said that they went there about 4 o'clock. That was the time the office closed. They always left together.

Senator LONG. They went to Colonel Sullivan's office?

Miss RODDY. Yes.

Senator LONG. Apparently, did Miss Meretzky receive the attention to which she thought she was entitled?

Miss RODDY. What do you mean?

Senator LONG. Well, I mean, what she seemed to think were her rights were very well upheld there, weren't they?

Miss RODDY. Oh, yes. You see, one reason I don't know, it was strange. She did not work in any special department in the office. She was put in there, I believe, as a temporary employee, I would say, in the processing-tax division, because it was a temporary division. It was just something new that had started, and she worked in there for a few days. She was put in the income-tax division for a couple of days. She was then put into the—I think it was the personnel clerk, and when I left there, she was in the field division. That was in less than 3 months' time.

Senator LONG. She is on the pay roll of the processing-tax division, the new division, but she is working in all departments of the office, there?

Miss RODDY. Well, I don't say that she is on the pay roll of the processing-tax division. I am not sure.

Senator LONG. Well, I got that from the internal revenue collector. He wrote me a letter. Let me see if I haven't got that here, so that we will not be talking out of turn. I know that that is the fact, though.

Senator BARKLEY. Wouldn't Mr. Moore be the man to testify to that?

Senator LONG. Well, the record—I would rather take the record. I have the written——

Senator BARKLEY. I say, you can produce that letter when Mr. Moore testifies, rather than with this young lady.

Senator LONG. I want to do it in connection with this witness' testimony. Just assume. I knew that it is a fact, from the record that I got from Mr. Helvering. He gave me the record. I made some notes on it in my own handwriting, but the record shows that I received from Mr. Helvering, that Miss Meretsky is on the pay roll on the temporary processing-tax department, and you state that she has been working where—when you left there?

Miss RODDY. She was in the field division when I left.

Senator LONG. So that she has been working in the income-tax part, and she has been working in the field part, and she has been working in the income-tax part?

Miss RODDY. Yes.

Senator LONG. And in the processing part?

Miss RODDY. Yes.

Senator LONG. And says that she returns to Colonel Sullivan's office periodically to do work for him?

Miss RODDY. Yes, sir.

Senator LONG. Now, you were present here in this office—that is all. You can take the witness.

The CHAIRMAN. Let me ask you. You say that she returns to Colonel Sullivan's office to work in Colonel Sullivan's office?

Miss RODDY. That is what she said.

The CHAIRMAN. Do you know that of your own knowledge?

Miss RODDY. Well, that is what she said. I have never seen her there.

The CHAIRMAN. Did she tell you that?

Miss RODDY. She never told me specially.

The CHAIRMAN. I see.

Miss RODDY. Do you want me to explain that?

The CHAIRMAN. Did she tell you that?

Miss RODDY. There was just a group standing there. She didn't tell me that specially, but there was a group of girls standing there, and she said that.

The CHAIRMAN. You heard her say that, though?

Miss RODDY. Yes; I heard her say that.

Senator BARKLEY. You had been, you say, employed by the former collectors?

Miss RODDY. Yes.

Senator BARKLEY. One of whom is your brother-in-law?

Miss RODDY. Yes.

Senator BARKLEY. You did not have a civil-service position?

Miss RODDY. No; I didn't.

Senator BARKLEY. Just a position that could be changed any time?

Miss RODDY. Yes.

Senator BARKLEY. By a new collector coming in?

Miss RODDY. Yes.

Senator BARKLEY. Do you know to what extent Mr. Moore, when he became collector, let out some of the non-civil-service employees of the former collector, appointed under former administrations?

Miss RODDY. To what extent, did you say?

Senator BARKLEY. Yes.

Miss RODDY. What do you mean?

Senator BARKLEY. How many?

Miss RODDY. Oh, there were very many of them.

Senator BARKLEY. Very many?

Miss RODDY. I was the first one.

Senator BARKLEY. You were the first?

Miss RODDY. Yes.

Senator BARKLEY. And do you know whether that is customary, in non-civil-service positions, in other collectors' offices over the country?

Miss RODDY. Well, I do not know; over the country. I know they do make changes.

Senator BARKLEY. Yes.

Miss RODDY. But not a complete change.

Senator BARKLEY. Do you know whether the collector for whom you worked made changes in the personnel when he came in?

Miss RODDY. Yes; he did make a few changes.

Senator BARKLEY. Yes; he let out some of those who had been employed by former collectors?

Miss RODDY. A few; yes, sir.

Senator BARKLEY. And put you in the place of one of them?

Miss RODDY. Yes; he did.

Senator BARKLEY. All right.

The CHAIRMAN. That is all.

Mr. RIGHTOR. Miss Roddy, as the political administrations changed from Democratic to Republican, you changed your registration?

Miss RODDY. Yes; I did. I was a Republican, and I changed to a Democrat.

Mr. RIGHTOR. If there was a Republican in office, you registered as a Republican, and if there was a Democrat you registered as a Democrat?

Miss RODDY. Well, I would not say that. I first started to work there, and I wasn't registered as anything. I went into the office, I think, when Mr. Coolidge was President, and I was registered as a Republican, then.

Mr. RIGHTOR. You were registered as a Republican? Then, when the Democrats went in, you registered as a Democrat?

Miss RODDY. Yes. I changed.

Mr. RIGHTOR. That was true of your brother-in-law, also, Mr. Merrigan, wasn't it?

Miss RODDY. How?

Mr. RIGHTOR. He changed his affiliations?

Miss RODDY. I don't know. You would have to ask my brother-in-law.

Mr. RIGHTOR. You do not know?

Miss RODDY. I do not know.

Mr. RIGHTOR. Now, Miss Roddy, I have here your record in that office. Now, I don't want to go over this thing, and delay the committee too much. I am going to take up this record when Mr. Moore takes the stand, Senator. Shall I let you see it now?

Senator LONG. Let us see it.

(Senator Long examines a document handed him by Mr. Rightor.)

Senator LONG. That is all right.

The CHAIRMAN. There are no other questions?

Senator LONG. No. That is all.

Mr. RIGHTOR. You have a memorandum, there.

The CHAIRMAN. Who is the next witness?

Senator LONG. Mr. Chairman, instead of calling Mr. Helvering up here, if you would permit me to state extracts that I made from the record here, I can save considerable time.

Mr. RIGHTOR. On what subject, Senator?

Senator LONG. On what the applications for jobs show, that I examined there in the office—application blanks.

Mr. RIGHTOR. Senator, we would rather check those, before you put them in the record, simply from a memorandum made by you.

The CHAIRMAN. That will be agreeable, Senator. So there is no question. I imagine there is no question about the proposition, and you can check them and put them in the record.

Senator LONG. There is no question about this.

Mr. MOORE. I think that is probably all right.

Mr. RIGHTOR. No; we had better check that. I would rather check it.

Senator LONG. Just check it and see. Suppose, instead of putting that in the record—that is all right. Go ahead and check them.

The CHAIRMAN. Have you any more witnesses?

Senator LONG. Yes, I have; but I want to put this in, to begin building up something on this point.

The CHAIRMAN. Can't we proceed with this, and then put that into the record?

Senator LONG. If you want me to, I can testify to having checked these records, or, I mean, sending me the records. I do not mean—

Mr. RIGHTOR. I will have Mr. Moore call at Mr. Helvering's office and check it, himself, and then, if it is correct, we will take it.

The CHAIRMAN. Just to save time—

Mr. MOORE. Gentlemen, I think that is all right.

Mr. RIGHTOR. Do you think that is all right?

Mr. MOORE. I think it is all right.

Mr. RIGHTOR. That is all right, then.

Senator LONG. All right. One employee, Camille V. Dourney, a reference is Colonel Sullivan and three others; Mr. John Sullivan, notary. Kathryn Flynn, reference Mr. Sullivan; notary, Mr. Sullivan, and two others. Mr. Sessler, attorney in Mr. Sullivan's office, notary public. Pearl Maretzky, gives address as being employee of Colonel Sullivan; Mr. Sullivan acted as notary, giving her positior. Frank Dalhonde, Mr. Sullivan, the notary, on his applica-

tion. Theodore A. Ray, Jr., contains Mr. Sullivan as his reference. Charles F. Rayne, Mr. Sullivan is one of his. Evelyn Flattery gives Mr. Sullivan—gives A. S. Cain, as employer; also gives Sullivan—John P. Sullivan, reference, and also John P. Sullivan as notary. Margaret Shea, Sullivan a reference, and Sessler, the notary, in Colonel Sullivan's office. Elva S. Egle, gives no reference whatever; Mr. Sullivan acts as notary; was immediately employed on the application; gives no reference whatever. It is made out by Colonel Sullivan, with no reference except the application, with the—that is, they do not fill out the three or four references that are asked to be given there, in the Egle application, but Mr. Sullivan acts as notary for her, and she was employed. The assistant to the collector, Mr. Fontenot. His first reference is Mr. Sullivan, and three other gentlemen, Miss Thyria F. Golden gives as her reference, that she is employed by John P. Sullivan, and the notary on her application is David Sessler, in the office of Sullivan, and she states on the application blank, in which she is applying for the job, that she is resigning the job that she has held with Colonel Sullivan to take this position, before the instrument apparently had been filled out, she had "resigned to accept the position," as one act. Miss Flattery, who gives her name as an employee of Mr. A. S. Cain, is listed in the New Orleans City Directory for the year 1933, as follows: "Evelyn M. Flattery, secretary, John P. Sullivan." That is the 1933 city directory. Now, Mr. Chairman, if there should be any mistake about the notes that I have made here, I will be glad to have them checked up during the day, and to have them corrected. It is the best of my memory, as I made them in the office.

Senator BYRD. What is the total number that Mr. Sullivan recommended?

Senator LONG. Well, I do not know how many there are. Fourteen or fifteen, is all.

Mr. RIGHTOR. That will all be covered fully.

The CHAIRMAN. Who is your next witness?

Senator LONG. I am going to call Mr. Frank B. Sullivan.

The CHAIRMAN. Come forward, Mr. Sullivan, and be sworn.

STATEMENT OF FRANK B. SULLIVAN

(The witness was duly sworn by the chairman.)

Senator LONG. You are a brother of Mr. John P. Sullivan?

Mr. SULLIVAN. Yes.

Senator LONG. You were once criminal sheriff of New Orleans?

Mr. SULLIVAN. Right.

Senator LONG. Appointed there by Governor Parker?

Mr. SULLIVAN. Correct.

Senator LONG. You and your brother both lived in the third ward, I believe, at the time? That is, the third ward—more or less what we regard as third-ward patronage, or a third-ward position, more or less? It is still held by a third warder, I believe, Mr. Williams; is that not true?

Mr. SULLIVAN. I don't remember whether I lived in the third ward at the time, but it is—Mr. Williams lives in the third ward now.

Senator LONG. What is your occupation, Mr. Sullivan?

Mr. SULLIVAN. I am in the brewing business. You know that.

Senator LONG. Nothing wrong about being in the brewing business.

Mr. SULLIVAN. Not a bit in the world.

The CHAIRMAN. Let us have order in the committee room. All right, Senator.

Senator LONG. Is Col. John P. Sullivan connected with that concern?

Mr. SULLIVAN. Yes, sir.

Senator LONG. What is his position there, Mr. Sullivan?

Mr. SULLIVAN. He is chairman of the board.

Senator LONG. Chairman of the board? And what is your position in it?

Mr. SULLIVAN. Vice president.

Senator LONG. Now, are you in the Hibernia Homestead, also?

Mr. SULLIVAN. Yes, sir.

Senator LONG. What are you, in the Hibernia Homestead?

Mr. SULLIVAN. President.

Senator LONG. And what is your brother, Mr. John Sullivan, in that?

Mr. SULLIVAN. He is the attorney for it.

Senator LONG. Is he a director?

Mr. SULLIVAN. Yes; he is a director.

Senator LONG. And the notary? Or, does his office do the notary work?

Mr. SULLIVAN. Yes; yes.

Senator LONG. Is Mr. Cain there, in that office—Albert Sidney Cain? A. S. Cain?

Mr. SULLIVAN. Correct.

Senator LONG. You have another concern, have you not, Mr. Sullivan, known as the Navillus Realty Co., which is Sullivan spelled backwards—the word “Navillus”? Do you know of that concern?

Mr. SULLIVAN. Yes.

Senator LONG. What are you in that concern?

Mr. SULLIVAN. I am not in it.

Senator LONG. You are not in that?

Mr. SULLIVAN. No, sir.

Senator LONG. Just pardon me one minute. Well, you may not know it, but you are president of that concern, Mr. Sullivan.

Mr. SULLIVAN. You may think so, but I am not.

Senator LONG. All right. You are not president?

Mr. SULLIVAN. No, sir.

Senator LONG. You are not in that concern at all?

Mr. SULLIVAN. No, sir.

Senator LONG. Do you know who is in it?

Mr. SULLIVAN. I know my brother John Sullivan is in it.

Senator LONG. Is George Sullivan in it?

Mr. SULLIVAN. No, sir.

Senator LONG. Well, now, you are correct, and I am in error. Here is the information which comes to me: The Navillus officers are as follows: John P. Sullivan, president; George H. Sullivan, vice president; Frank Sullivan, secretary-treasurer. You did not know that, any of that, Mr. Sullivan?

Mr. SULLIVAN. I know that that is—as far as I am concerned, that is not correct. I am not——

Senator LONG. You are not in the Navillus Realty Co.?

Mr. SULLIVAN. No, sir.

Senator LONG. You did not know that you were secretary-treasurer of it—if you are?

Mr. SULLIVAN. No.

Senator LONG. If you are, it is just something that you do not know about?

Mr. SULLIVAN. I would know about it.

Senator LONG. And you do not know that your brother, George H. Sullivan, is the vice president of it?

Mr. SULLIVAN. No; I don't think he is.

Senator LONG. You do not think so? All right. What does your brother, George Sullivan, do? What is his business?

Mr. SULLIVAN. Well, George Sullivan has been living up East for several years, and I believe he is connected with a news bureau.

Senator LONG. Yes, I thought so.

Mr. SULLIVAN. Yes, you knew so.

Senator LONG. I thank you, sir. I did know.

Mr. SULLIVAN. You are welcome.

Senator LONG. In other words, you know the name of the concern, Mr. Sullivan?

Mr. SULLIVAN. No; I do not.

Senator LONG. General News, I believe they said it was, this morning.

Mr. SULLIVAN. That may be it.

Senator LONG. Yes, sir. You can have the witness.

The CHAIRMAN. Any questions?

Mr. RIGHTOR. Thank you, Mr. Sullivan.

Senator BARKLEY. Let me ask Mr. Sullivan this: You are connected with the Homestead Co., you say?

Mr. SULLIVAN. Yes.

Senator BARKLEY. President of it?

Mr. SULLIVAN. Yes.

Senator BARKLEY. What is its business?

Mr. SULLIVAN. It is the building and loan business.

Senator BARKLEY. Yes.

Mr. SULLIVAN. Where loans are made on homes?

Senator BARKLEY. It is the ordinary building and loan association?

Mr. SULLIVAN. Yes.

Senator BARKLEY. Except you call it the "Homestead"?

Mr. SULLIVAN. Company.

Senator BARKLEY. Company?

Mr. SULLIVAN. That is correct.

Senator BARKLEY. Or association? Which is correct?

Mr. SULLIVAN. Association.

Senator BARKLEY. Homestead Association?

Mr. SULLIVAN. Yes, sir.

Senator BARKLEY. Now, you have heard the statements here with reference to some sort of a racket that is carried on down there in connection with the Home Owners Loan Corporation, and I think the Homestead was mentioned.

Mr. SULLIVAN. Yes, sir.

Senator BARKLEY. Can you enlighten the committee in any way about that?

Mr. SULLIVAN. No, sir. I know nothing of anything of that sort whatsoever.

Senator BARKLEY. Does your company have any dealings with the Home Owners Loan Corporation?

Mr. SULLIVAN. We accept their stock.

Senator BARKLEY. Yes. Under the law, the Home Owners Loan Corporation Act, the corporation, in undertaking to refinance homes, must persuade the mortgage holder to accept its bonds?

Mr. SULLIVAN. Yes, sir.

Senator BARKLEY. Otherwise, the home is not refinanced?

Mr. SULLIVAN. Correct.

Senator BARKLEY. You, then—that is, your company—has accepted, in many cases—

Mr. SULLIVAN. No; not in many cases.

Senator BARKLEY. Well, in some cases?

Mr. SULLIVAN. Yes, sir.

Senator BARKLEY. The bonds of the Home Loan Corporation?

Mr. SULLIVAN. That is correct.

Senator BARKLEY. In lieu of the mortgage you held against the home?

Mr. SULLIVAN. Yes, sir.

Senator BARKLEY. Has that been the extent of your dealings with the Home Owners' Loan Corporation?

Mr. SULLIVAN. That is all in the world, sir.

Senator BARKLEY. This has no bearing upon this matter, but probably about as much as anything else we have heard. Do you think the guaranty of the principal of these Home Owners' Loan bonds will have any effect in persuading loan associations and mortgage holders in accepting them in lieu of their present mortgages?

Mr. SULLIVAN. Yes, sir; I do.

Senator BARKLEY. I hope you are right.

Mr. SULLIVAN. Yes, sir.

Senator CLARK. How long has this Homestead been in business, Mr. Sullivan?

Mr. SULLIVAN. I think about 26 or 27 years, Senator.

Senator CLARK. In other words, it was not organized after this Home Owners' Loan Corporation?

Mr. SULLIVAN. Oh, no, no, no.

Mr. RIGHTOR. Have you heard any scandal about the Home Loan in New Orleans?

Mr. SULLIVAN. Quite the opposite.

Mr. RIGHTOR. Have you heard any party reflect on Mr. Havens, the manager's character?

Mr. SULLIVAN. No, sir. Mr. Havens bears a very splendid reputation.

Mr. RIGHTOR. That is all.

Senator LONG. Just a moment. He was, I understood, one of the gentlemen appointed, as we all knew it, at the solicitation or upon the endorsement of your brother, Colonel Sullivan, also, was he not?

Mr. SULLIVAN. I think he, like other good men; yes, sir.

Senator LONG. All the good ones?

Mr. SULLIVAN. All the good ones, except you.

Senator LONG. All right. Since they brought out your connection, there, I will ask you if Mr. Leon Virgess, the chief appraiser of the

Home Loan Owners' Corporation, was not connected with or a director of your Homestead, with Colonel Sullivan and yourself?

Mr. SULLIVAN. He was.

Senator LONG. So they transferred him as the chief appraiser, there?

Mr. SULLIVAN. They did not transfer him. He was appointed to that position.

Senator LONG. Matter of course?

Mr. SULLIVAN. Matter of fact. [Laughter.]

Senator LONG. Mr. Chairman, there are some Senators here who were not here yesterday, particularly one of the Senators, that I discussed it with, who were not familiar with the news service that I think this witness has some little knowledge concerning, and I just want to put it in the record for their benefit. You understand, by the wire service, the news service that is so-called, that is the service that is connected with race tracks, and goes into the places where service is rendered so betting can be made, do you not, Mr. Sullivan?

Mr. SULLIVAN. I know very little about it, except that I believe that they furnish news on racing events, and any sporting event.

Senator LONG. Yes. The wires lead into the race track, and they flash the handbooks and pool rooms, and anyone else that wants to get it, the result?

Mr. SULLIVAN. The newspapers, and everything else.

Senator LONG. Yes. Everybody?

Mr. SULLIVAN. That is correct. I believe that is right.

Senator LONG. The principal business, since the newspapers have their own reporters there, is for flashing the pool halls, handbooks, and places where they make the bets?

Mr. SULLIVAN. That may be correct, sir.

Senator LONG. Your brother is the John Sullivan, as I understood it, who was the manager of the race track, and your other brother was connected with the wire service that led into the pool halls, and you were in the brewery business, and he was with all of you; is that right?

Mr. SULLIVAN. I don't believe that my brother was connected with that, when John Sullivan was in the race track.

Senator LONG. Yes, sir. Well, testimony is in the record. That is all.

Mr. SULLIVAN. Yes.

The CHAIRMAN. All right.

Senator BARKLEY. Well, let us see, just a moment. I do not know much more about this than you do.

Mr. SULLIVAN. Yes.

Senator BARKLEY. But I would like to find out. These wires are telegraph wires that go out from the race track to the telegraph offices and news, with reference to races, is sent all over the country, reproduced in sporting sheets, and the sport pages of newspapers, and generally for the use of anybody who is interested in races or in sports; is that right?

Mr. SULLIVAN. That is the way I understand it, Senator.

Senator BARKLEY. Well, do you know enough about the racing business to know whether the managers of a race track have anything to do with the news that is sent out over these wires to newspapers and other publications?

Mr. SULLIVAN. No. From what I know, Senator, they have nothing to do. That is sold as a privilege, from my understanding. I do not know it positively as a fact, though.

Senator BARKLEY. All right.

The CHAIRMAN. That is all.

Senator CLARK. How long has that service been in existence down there, Mr. Sullivan, do you know?

Mr. SULLIVAN. I do not know, sir. I think for a great many years.

Senator CLARK. A number of years?

Mr. SULLIVAN. As it is in every other race track in the country.

Senator CLARK. Do you happen to know whether it was in existence down there in 1927, when Senator Long ran for Governor?

Mr. SULLIVAN. Oh, I am quite sure it was.

Senator CLARK. And ever since?

Mr. SULLIVAN. Yes. He was very familiar with it. [Laughter.]

Senator LONG. I was?

Mr. SULLIVAN. Familiar with every—you even asked me questions about it.

Senator LONG. I see. Now, Mr. Sullivan, you have failed to state—you know that those handbooks are a violation of the law, that they are gambling dens, operating illegally, and you know that those wires run in there and serve these men, to run gambling contraptions all over that city, don't you?

Mr. SULLIVAN. Yes, sir; all over this country. I know that.

Senator LONG. All right.

Mr. SULLIVAN. I know they were there when you were Governor.

Senator LONG. Yes?

Mr. SULLIVAN. Yes, sir.

Senator LONG. They have been there, in the city of New Orleans, under all the Governors, as I understand it.

Mr. SULLIVAN. Yes, indeed they have, except some Governors that attempted to stop them.

Senator LONG. Yes, and it has only been temporarily that they have ever been suspended by the police, there. That was, as I understood it, during times when the fair grounds or some other track was operating.

Mr. SULLIVAN. Yes, I think that that is correct. You made no attempt to suspend it, when you were Governor.

Senator LONG. No; I made no attempt to suspend them.

Mr. SULLIVAN. No, sir.

Senator LONG. I raided a few houses around there, but never did bother the wires, did I?

Mr. SULLIVAN. No; I don't believe you did.

Senator LONG. No. That is all.

The CHAIRMAN. That is all, Mr. Sullivan.

Senator LONG. Now, it has been admitted, Mr. Chairman, that Mr. George Sullivan is employed by the wire service. I wondered if the counsel would not admit this—if this is correct—if not, I will phone down and get it—that the Navillus Corporation—

Mr. RIGHTOR. Let me see it.

Senator LONG. I had this checked up by a lawyer down there, and he has just wired me the information. I just want to prove that the brothers who are in the brewery and in the Homestead and in the wire

services that connect with the handbooks, are also in the business, as partners of the colonel, so that we will connect the thing.

Senator BARKLEY. Partners of what?

Senator LONG. Business partners and business associates of Mr. Sullivan, the gentleman who is handling those other matters.

Mr. RIGHTOR. There has been no testimony of a partnership. They own stock in corporations, Senator.

Senator LONG. Read the telegram.

Mr. RIGHTOR. No; I won't admit it. Prove it. There are too many words in there.

Senator LONG. Well, will counsel admit, just to save my having to wire? If he won't, I will wire down. I will send. I guess the chairman would let me get a certificate of the secretary of state, and permit me to file it at any time? Wouldn't you?

Mr. RIGHTOR. Yes.

The CHAIRMAN. Yes; the matter may go into the record.

Senator LONG. Well, just have it noted there that I have the privilege of filing in the record of the case the corporate status, officers, and organization of the Navillus Corporation, insofar as it concerns John P. Sullivan, George A. Sullivan, and Frank Sullivan. All right.

The CHAIRMAN. Any other witness?

Senator LONG. Yes, sir. Call Dr. Clarence Pierson.

STATEMENT OF CLARENCE PIERSON

(The witness was duly sworn by the chairman.)

Senator LONG. Your name is Dr. Clarence E. Pierson?

Dr. PIERSON. Clarence Pierson.

Senator LONG. Clarence Pierson? I thought you had a middle initial.

Dr. PIERSON. No, sir; never blessed with that.

Senator LONG. You live in Louisiana?

Dr. PIERSON. Alexandria, La.

Senator LONG. What is your occupation?

Dr. PIERSON. Physician.

Senator LONG. From what school, if any, did you graduate?

Dr. PIERSON. I graduated at the Tulane Medical School, in 1894, and delivered the class address, the valedictory address.

Senator LONG. 1894?

Dr. PIERSON. Yes, sir.

Senator LONG. Did you graduate from any other college?

Dr. PIERSON. I am a graduate of the State university, had a training under the great leaders of that school—the Boyds, Colonel Nicholson, Colonel Johnston, William Preston, General McCain, and the other men who have made the ideals of that college.

Senator LONG. What is it, Colonel Rightor, you want to enter—that these witnesses would testify that they know Moore to be a man of good reputation? Is that what you want to put in the record?

Mr. RIGHTOR. I have about a dozen witnesses here. My great endeavor is to save the time of the committee, and I have asked Senator Long to consent to my doing this, placing one witness on the stand, showing his standing, having him testify to the reputation of this gentleman, and then read the character of the other 10 or 12 witnesses, and with the Senator's consent, admit that these other

gentlemen will testify to the same effect. That will save the committee considerable time.

Senator BARKLEY. Do you want to do that now?

Senator LONG. Maybe we can make up a little stipulation on that, in just a minute. I am just turning it over in my mind, now, because I might want to cross-examine those witnesses.

Senator BARKLEY. Maybe we had better finish with this witness before we get into that.

Senator LONG. Yes, sir. Well, the reason I was doing it, was because I noticed the hour was getting late, and I knew I was going to be at some length with this witness.

What has been your occupation, Doctor, for the last 25 years, we will say?

Dr. PIERSON. I have been superintendent of the insane hospitals of Louisiana for 30 years, this year making the thirtieth year, beginning in 1894, under Governor Blanchard, serving under Governor Blanchard—first, under Governor Heard, then under Governor Blanchard, then under Governor Sanders, then under Governor Hall, then under Governor Pleasants, and in 1921 I served some 6 months under Governor Parker, having resigned, however, 6 or 7 months before that, 3 months before Governor Pleasants went out of office, I tendered my resignation, and was asked by the Governor to please hold over until the new Governor took possession, and after the new Governor came in, I was requested to serve until new arrangements could be effected, by which the hospital would be carried on by my successor.

Senator LONG. That is, at the East Louisiana Hospital?

Dr. PIERSON. At the East Louisiana Hospital, at Jackson, La. Since 1928, I have been hospital superintendent of the Central Louisiana State Hospital, at Pineville.

Senator LONG. You bear the stamp of my appointment, I believe, to the return to the service?

Dr. PIERSON. You sent me word and solicited my return to the service, and I took it under advisement for 5 or 6 months.

Senator LONG. I tried to get you to go back to the East Louisiana, I believe, and you wouldn't go there, but you did agree to stay at the Pineville, which is close to where you lived?

Dr. PIERSON. Alexandria is my home, and I went to Jackson, originally, to please Governor Blanchard, not expecting to stay there but 3 years, and I stayed there nearly 16—about 16 years.

Senator LONG. All right. Now, Doctor, you were a son of old Dave Pierson, I believe, also, that had quite a reputation in that country?

Dr. PIERSON. Yes, sir. My father was Colonel David Pierson. He was colonel of the Third Louisiana Regiment.

Senator LONG. They named the county seat of Winn County, Winnfield, La., my home town, after him, I believe.

Dr. PIERSON. Yes, sir. He was a member of the secession convention, from your old home town, and he was one of the three men of the secession convention not to sign the ordinance of secession, and one of the first men who raised a company and went out and fought in the Battle of Oak Hills, on the 10th day of August.

Senator LONG. Now, it may appear that I am putting this on, "a little thick", but when I show you what is following, I want you to judge the character of the applicant for this office.

In other words, you came from a fairly well known family in that State. Your father had been a member of the secession convention, and one of the three bearing the distinction of refusing to vote on that secession, in 1860.

Dr. PIERSON. 1861, yes.

Senator LONG. 1861? And you have been in the public service there all these many years?

Dr. PIERSON. Yes, sir.

Senator LONG. All right. I will ask you if anyone ever set upon you, along during your regime, with the publicly avowed purpose, stated in your presence, in court and otherwise, that he was out to destroy you and to run you out of any official connections that you had in that State, and if so, who it was?

Dr. PIERSON. In 1915, preparatory for the campaign of 1916, the Democratic Party primary being in January, I believe, 1916, a great many friends solicited my candidacy for Governor of Louisiana. I was offered the support—not offered it, but solicited by the two United States Senators, Senator Ransdell, who happened to be my wife's uncle, and also the support of my life-long, intimate friend, "Bob" Broussard, of the State senate, who died as a member of the senate of our State. I had been intimate with Bob Broussard for years, one of the first men that solicited his candidacy for Congress, managed his campaign for Congress.

Senator LONG. You managed Bob Broussard's campaign?

Dr. PIERSON. Yes, sir, raised every dollar that was raised, and campaigned for him. I lived at New Iberia, his home town, at the time. I was also sent a message by one of my warmest, closest, best friends, who is also one of Governor Parker's best friends, Mr. W. A. West, and Governor Hall sent me word that he would support me for Governor, and he wanted me to resign immediately at the institution.

Senator HASTINGS. I wonder if we cannot have a statement made as to what the purpose of this is.

The CHAIRMAN. I think this is rather irrelevant, Doctor.

Dr. PIERSON. I am only answering the question asked.

Senator LONG. It is not irrelevant. It is a 103-page decision.

The CHAIRMAN. Possibly we will get along quicker if you go ahead.

Senator LONG. It is not irrelevant. As a lawyer, I think I can tell you this would be accepted, if I explained it, but I will get through quicker than if I stopped to explain it, the other way. That is why I am proceeding in this way. I will be through in less time than it would take to explain it.

The CHAIRMAN. Go ahead, Doctor.

Mr. RIGHTOR. May I say a word on that, Mr. Chairman? There is a case I have in my hand, and Senator Long has it in his hand, a case of Dr. Pierson against the Times-Picayune, a case that took considerable time to try, and which occupies 100 pages of the reports. The court reviews the case from every point of view. There is an opinion, a concurring opinion, and two dissenting opinions.

Senator LONG. No, there are not two dissenting opinions.

Mr. RIGHTOR. They have exhausted the whole subject.

Senator LONG. There is but one dissenting opinion.

Mr. RIGHTOR. Now, if we go into the matter of the history of this case, we are going to be here forever. Now, whatever I have to say is embalmed in this report, and whatever the Senator has to say; and I

suggest, comment by the plaintiff of the case is not half as satisfactory as the conclusions of the Supreme Court, giving all the reasons; and if we go into this, we are going to take several hours.

Senator LONG. Now, Mr. Chairman, it is nice of the counsel to say he is willing to stand on the record, because certainly the opinion could do his client nothing but discredit, and the most serious kind of discredit; but there is something about this that the opinion cannot show, and it is not going to take nearly the time, that counsel might intimate. There is something about this that the opinion will not show. For instance, if the Chair wishes me to, I think we will save time, because we will be over it much quicker than it will take me to explain it. However, I will explain it as briefly as I can, in these words—

The CHAIRMAN. Well, Senator, won't you proceed? Maybe we can save the time of the committee, by being as brief as possible, and getting to the point.

Senator LONG. That is why I will just sketch it over.

Senator CONNALLY. May I ask a question, Mr. Chairman?

The CHAIRMAN. Yes.

Senator CONNALLY. When did this occur, Doctor? 1915?

Dr. PIERSON. The summer of 1916, Senator; yes.

Senator HASTINGS. Who does it involve?

Senator LONG. It involves perjury.

Senator HASTINGS. Mr. Moore?

Senator LONG. Perjury of Mr. Daniel Moore.

Mr. RIGHTOR. There is no perjury.

Senator LONG. That he is a perjurer, by the record, here.

Mr. RIGHTOR. That is not correct.

Senator LONG. That is what we intend to prove.

Senator BARKLEY. Well, read the record; do not testify.

Senator LONG. We will read the record of this man, all right—the report.

Senator BARKLEY. Can't we get this more reliably out of a report of the court, then?

Senator LONG. That is what we are doing.

Senator BARKLEY. The Senator from Louisiana took up considerable time of the Senate, the other day, reading and quoting from that decision. He has brought it to the attention of the finance committee heretofore. All the Senators who have the time or the disposition have at least had the opportunity read that case, and if there is anything to be testified about it, that is not in that record, I doubt seriously whether it would be considered.

Senator LONG. Now, the counsel is too smart a lawyer not to know that I haven't, in this record here, all the evidence necessary to fasten the situation in the grasp of this committee. This is an example. It is necessary, Mr. Chairman, first just to let me make a statement, so you will see the necessity of it. I tried to avoid it. I would rather let the witness go on. Won't you consent to let the witness go on?

Senator BARKLEY. I don't care.

Senator LONG. Go on. Let's see if we can get to it.

Senator CONNALLY. Get down to the point.

Senator BARKLEY. Get down to the point of it. You have got a 103-page opinion, in which the court discussed every part of that case.

Dr. PIERSON. In 1915, this campaign started, as I say. I had a great many friends who solicited me, as one of the three candidates, to run. I considered it, very seriously, took my vacation, which is allotted the institution every year, get around the State, and made observations. In the meantime, it was announced that Governor Parker was going to run as a Bull Moose against the Democratic Party, which meant the necessity of two campaigns. I was a man of no means. I considered that feature. I have never gone into any campaign, or anything, without—and never solicited 5 cents contribution, and I did not permit anybody to contribute to whatever expenditures I would have, and therefore I left that as a consideration for me. After going over it thoroughly, I concluded that my duties had best remain with the institution, and I announced that I would not be a candidate, but during the interim of the preparation of the campaign, Mr. Moore, as directing head of the Times-Picayune, employed, in the arrangements of the plan, a newspaperman who had left New Orleans previously, discredited, Mr. Leppert, giving him a contract to get my scalp. The record shows that, but the articles did not appear until January or February after that.

Senator LONG. Was there a consideration for the man "getting your scalp," Doctor?

Dr. PIERSON. Yes, sir. The testimony will show that Mr. Leppert was to receive a permanent job on the paper, having been out of the newspaper business for some 12, or 10 or 12 years; that he was to receive a permanent job, and he was to have the privilege of putting his name on top of the articles, to "get my scalp."

Senator CLARK. Is this set out in this report here?

Dr. PIERSON. All of that is in the record of the case.

Senator LONG. Part is. It is all in the record. Part is, and part is not. I have Moore's testimony here.

Senator BARKLEY. I suppose, in 103 pages, the court in Louisiana has commented on everything it thought worth while, didn't it?

Senator LONG. Well, I wasn't the court, and I couldn't tell you that.

Senator BARKLEY. Probably if the Senator had been the court, my observation would not have been correct.

Senator LONG. But, being a lawyer, I have worked up my case pretty well, on this point.

Senator BARKLEY. Well, all right.

Senator LONG. The chairman said I was a good lawyer, yesterday, and I am at least a chump lawyer. I made a living.

The CHAIRMAN. You admitted it.

Senator LONG. No, I denied it at the time, but now I am going to claim it.

The CHAIRMAN. All right. Proceed with Dr. Pierson.

Senator CONNALLY. Mr. Chairman, may I ask a question? I want to get what you are driving at, Doctor. Can't you get down to the point and tell us in a few words?

Senator LONG. No, that cannot be done.

Dr. PIERSON. I have to, Senator, give you succinctly the things that led to the newspaper articles.

Senator LONG. It cannot be done.

Senator CONNALLY. Let me ask the witness a question, Senator, please.

Senator LONG. All right. You have that right.

Senator CONNALLY. I want you to get down to what you are driving at. Has this man lied on you, or what has he done? Just tell us. I cannot get what you are driving at.

Senator LONG. I am going to give it to you.

Senator CONNALLY. If the Senator from Louisiana will just let me ask the witness a question——

Senator LONG. All right.

Senator CONNALLY. I want to get some light on this subject. What do you say Mr. Moore did to you, if anything?

Dr. PIERSON. Mr. Moore libeled me, criminally and civilly. I brought suits.

Senator CONNALLY. Now we are getting somewhere.

Dr. PIERSON. Yes, sir.

Senator CONNALLY. Go ahead and tell what it is all about.

Senator LONG. Well now, wait a minute, Mr. Chairman. I can't do it that way. I don't only want to prove that. I want to prove my perjury. I allege to you, and I will leave it to every man here, that I will prove this man a perjurer.

The CHAIRMAN. Well, do it by the witnesses, Senator.

Senator LONG. But I have got to be allowed to proceed. I cannot do it, if you are going to take my case away from me.

The CHAIRMAN. The witness is proceeding. He is answering the questions.

Senator LONG. Well, he is not answering mine. [Laughter.] Go ahead.

The CHAIRMAN. All right, Senator.

Senator LONG. Go ahead, Doctor.

Dr. PIERSON. I am very anxious to.

Senator CONNALLY. Mr. Chairman, it seems to me if the witness would just tell what Mr. Moore did to him, and then tell his side of it, we would get somewhere.

The CHAIRMAN. I hope that the witness will do that.

Dr. PIERSON. These articles were being prepared from a time in October, the skeleton of the articles, and did not appear until February, in which they wrote 8 articles, I mean 8 issues of the Times-Picayune, beginning in February.

Senator LONG. Now, before you get to that I want to go chronologically. Did you become aware of the fact that an attack was to be made upon you, through the move that Mr. Moore was taking against you?

Dr. PIERSON. Mr. Moore wrote me a personal letter, which he gave to Mr. Leppert, as did the Governor himself, asking me to extend this gentleman, Mr. Leppert, the courtesies of the institution, because he wanted to know something of the insane, and he went to Pineville first, and at Pineville Mr. Leppert told two of his friends, in a way, that he was after me, and they wrote me that he was coming to Jackson to investigate my place, and that the others were makeshifts; and therefore I was prepared for him when he came to our institution.

Senator LONG. All right. Now, after—what I am talking about—did Mr. Moore have a conference with you and the Governor, in the office of the Governor, in Baton Rouge, the capital of the State, before these attacks began?

Dr. PIERSON. After considerable investigation on the part of Mr. Leppert, who knew nothing about hospitals, whatsoever, newspaperman, who had been out of the work, he went to New Orleans and made his report to Mr. Moore and told him he "had me."

Senator BARKLEY. Told him what?

Dr. PIERSON. That they "had me." Had sufficient evidence to displace me.

Senator BARKLEY. Leppert told Moore that?

Dr. PIERSON. Yes. He made that report to Mr. Moore, not in verbiage, but in essence, and they asked Governor Hall to have a conference in the Governor's office in Baton Rouge, and the entire board of administrators were invited there, and I was invited there, to face Mr. Moore's charge.

Senator LONG. All right. Now, this was before any publicity of any kind?

Dr. PIERSON. Oh, possibly 2 or 3—2½ months before.

Senator LONG. Two and a half months? All right. Now, who else happened along, in that asylum, that was in that conference, about that time?

Dr. PIERSON. Providentially, Dr. A. P. Herring, of Baltimore, Md., an eminent alienist, who had been sent there by the American Psychiatric—I mean, the American Hygienic Society, to make investigations of the Southern States, and he was coming through Louisiana to do likewise, and Dr. Herring happened to pass on the scene, at the time, heard what was being done. He had a conference with Mr. Moore, and Dr. Herring was present at this conference, himself, that day, with Governor Hall and the entire board of administrators.

Senator LONG. All right, now. As I understand it, during the time Mr. Moore was supposed to be investigating you, getting ready for his attack, this national authority, Dr. Herring—I do not know the gentleman—I guess he lived up here, somewhere?

Dr. PIERSON. Lived at Baltimore.

Senator LONG. Lived at Baltimore?

Dr. PIERSON. State alienist of Maryland.

Senator LONG. And he happened to come along, investigating for the National Society of Hygiene?

Dr. PIERSON. Yes, sir.

Senator LONG. All right, now; so, when you had your conference with Mr. Moore, before Governor Hall, Luther E. Hall, and the members of the board, this national authority was there with Mr. Moore?

Dr. PIERSON. Yes, sir.

Senator LONG. All right. This is 2½ months before he stated the publicity?

Dr. PIERSON. Well, I cannot tell the dates, but approximately, a long ways before the publication of the articles.

Senator LONG. I think I have got Mr. Bradley. I was in Washington, D.C., the wire says. I am advised, just being providential—

The CHAIRMAN. Well, Senator, you are not testifying here.

Senator LONG. I just hope this will prove true.

The CHAIRMAN. You are privileged to go on the witness stand, if you want to. You can do it. Go ahead, Dr. Pierson.

Dr. PIERSON. At this conference in Baton Rouge, at the Governor's office, Mr. Moore was present, and Mr. Moore submitted the charges, essentially those of irregularities, or whatever he considered them, against the institution. I answered everyone of them. I explained everything, thoroughly, that led to the conditions that Mr. Leppert criticized. After spending the entire day, taking a recess, my recollection is, for the noon hour, reassembling in the afternoon, and everything, proved very satisfactory, a most complimentary resolution was passed by the board, exonerating me of any irregularity, of any wrongdoing, the board, and Governor Hall; and at this conference, Mr. Moore was asked, "Mr. Moore, are you satisfied with these explanations?" Well, of course, Mr. Moore did not accept—did not commit himself to anything much, but after we began to adjourn, the board members extended to Mr. Moore a personal invitation to visit our hospital, and to see, the following week—made a specific engagement with Mr. Moore, for a day and an hour. We had just one little train at that time. We had to meet the trains. We have no communication institution. Had to meet the trains, and we made specific engagement with him to visit the hospital, to see for himself the matters of criticism that Mr. Leppert had reported to him.

Now, Mr. Leppert, while that was going on, was in the anteroom of the board, and the Governor would not permit him to be present in the conference, Governor Hall wouldn't. We adjourned, very pleasantly. The board extended the invitation to Mr. Moore.

Senator LONG. And Dr. Herring was present?

Dr. PIERSON. Dr. Herring was present.

Senator LONG. Is that Herrin or Herring?

Dr. PIERSON. H-e-r-r-i-n-g.

Senator LONG. Did Dr. Herring inform Mr. Moore, as he brought up these various matters about which he was attacking you, as to their falsity, and explain the things, along with the balance of you?

Dr. PIERSON. Dr. Herring had previously been there twice, had rather familiarized himself with our institution, but he was very much interested in the welfare of the insane. He realized that the publicity of any article, the scandal that might go from his insane investigations, would do the insane more harm than all the good that all the legislatures and the philanthropic works can be done, in their behalf, so he assisted and exhausted every power, to have these articles suppressed, but he said, in the conference:

Now, Mr. Moore, I will, additionally, go back and make a more minute investigation, and I hope to meet you at the hospital next week, myself, when this invitation extended—because of the fact the hospital, the town itself, a little town of about 5 or 6 hundred, had no facilities for entertainment—I personally stepped up and offered Mr. Moore an invitation to be our—to be my personal guest at the—to eat, to break bread with me at my table, when he came to the hospital on this investigation.

Senator LONG. So that you told him, the national authority, yourself, and the governor and the board, that if he doubted anything at all that you had told him, to come himself and see it, and he had agreed to go, the next week, to check up to see that it was all right, if he had any doubts about it?

Dr. PIERSON. Yes, sir.

Senator LONG. Did he come?

Dr. PIERSON. No, sir; he did not.

Senator LONG. Did not come? Now, what happened after that?

Dr. PIERSON. He sent Mr. Leppert back there, and Mr. Leppert laid around there for days and days and days, and harassed and bothered our institution. He disturbed the morale of it. He went out, and got all the old, discredited employees, like old discredited politicians are, that have been fired for whipping patients, and fired for stealing the State's property.

Senator LONG. Gave some of them jobs, didn't he?

Dr. PIERSON. Gave them jobs. They went to New Orleans and got jobs.

Senator LONG. On the Times-Picayune?

Dr. PIERSON. On the Times-Picayune plant. He brought them to New Orleans, and got testimony taken down there before them.

Senator LONG. And then gave them jobs, in payment of it?

Dr. PIERSON. I do not know what pay they got.

Senator CLARK. Now, Mr. Chairman, this is obviously a very intelligent witness.

Senator LONG. I beg your pardon. I think you are right.

Dr. PIERSON. I am only speaking what is in the record, gentlemen.

The CHAIRMAN. The witness says he doesn't know. The committee will have to recess, now, as the Senate meets at 12 o'clock.

(Whereupon, at 12 o'clock noon, the committee recessed until tomorrow, Friday, April 6, 1934, at 10 a.m.)

CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

FRIDAY, APRIL 6, 1934

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to adjournment, at 10 a.m., in the Finance Committee room, Senator Pat Harrison (chairman) presiding.

Present: Senators Harrison (chairman), George, Barkley, Clark, Byrd, Lonergan, Couzens, Keyes, La Follette, Hastings, and Walcott.

Present also: Senator Long, Mr. Edward Rightor, counsel for Mr. Moore, Col. John P. Sullivan, and Mr. D. D. Moore.

Senator LONG. Ready?

The CHAIRMAN. The committee will come to order.

Mr. RIGHTOR. Mr. Chairman, would you permit me to take up the matter of my character witnesses now?

The CHAIRMAN. I hope that you will wait a few minutes. Let us proceed here for a bit, until we get a full attendance here, then we can see about that.

Mr. RIGHTOR. Yes, sir.

Senator LONG. Have you got a list of your character witnesses?

Mr. RIGHTOR. Yes.

Senator LONG. Hand them to me, and let me see who they are.

Mr. RIGHTOR. I think I showed them to you.

Senator LONG. Dr. Pierson was on the stand yesterday. Call him back.

The CHAIRMAN. Dr. Pierson. Will the committee come to order, and we will proceed.

Senator LONG. Where was I yesterday? Do you remember, Doctor, just at what point we had reached, when we adjourned yesterday?

Dr. PIERSON. I do not remember the last question.

(Thereupon the record at the close of yesterday's session was read by the reporter.)

The CHAIRMAN. All right.

TESTIMONY OF DR. CLARENCE PIERSON, ALEXANDRIA, LA.— Resumed

Senator LONG. Did I ask you yesterday, Dr. Pierson, that it was Mr. Leppert, was to get a permanent job and promotion, provided he could wreck you, there at the institution?

Dr. PIERSON. That was the testimony produced in the court and substantiated; yes.

Senator LONG. Was that disputed?

Dr. PIERSON. No, sir.

Senator LONG. Did Mr. Moore deny it to you, in person or in court?

Dr. PIERSON. No. The issue was never raised with Mr. Moore and myself, because Mr. Moore and I have never talked on the subject matter.

Senator LONG. No; I mean, he did not deny it in this trial?

Senator BARKLEY. Well, the record ought to show that.

Dr. PIERSON. I do not recall that.

Senator LONG. That would be a record fact.

Senator BARKLEY. Yes. Well, I want this decision, here.

Senator LONG. Well, the decision does show that it was not denied. I have that right here, I think, now.

Senator BARKLEY. Let us rely on the decision.

Senator LONG. Let us see.

Dr. PIERSON. There was testimony given by Mr. Yost.

Senator LONG. Yes; that is true, and was not denied in the trial, by Mr. Moore, nor by Mr. Leppert.?

Dr. PIERSON. I do not know whether they denied it or not. I do not remember it. The record was there.

Senator LONG. I think I have that here, in just a moment. Oh, yes; the Chief Justice of the Supreme Court, Chief Justice Monroe, the organ of the court say in that opinion that he rendered—

The CHAIRMAN. Well, Senator Long, that can be put into the record as a part of the record, and the committee will take it into consideration—the opinion.

Senator LONG. Well, I would have to brief it.

The CHAIRMAN. It is brief. The opinion is written. It is in the record, of course.

Senator LONG. Yes; but you would never catch the connection, reading 103 pages.

The CHAIRMAN. Well, will you cite what particular pages you wish to call to our attention?

Senator LONG. Yes. I will give it to you now.

The CHAIRMAN. Without—

Senator LONG. I call your attention to page 844, of the opinion in 148 Louisiana Reports, beginning at the top of that page, in which they say that Mr. Yost reported this matter of Mr. Leppert's contract, to have a promotion and a permanent employment, if he secured your wreckage.

Senator BARKLEY. Well, suppose you read what they say, Senator.

Senator LONG. All right. I am coming—I am abbreviating. Mr. Yost said certain things, to which Leppert replied:

Yost, I do not have to pump you for anything. I have all the dope we want. I had it when I came here. On the following day, Sunday, December 5, Yost met Leppert on Thompson Street with Heckensen, and Heckensen himself having left them together, Leppert again began talking about the asylum, in which Mr. Leppert said—

as quoted by Mr. Yost, that—

the Times-Picayune had a credit of \$250,000, and they were going to carry this investigation on, and were not going to allow outside influence to interfere; that he had spent \$150 of his own money in this investigation, which certainly meant very much to him. He said the success or failure of this investigation meant his home in Alabama. He said the success or failure of this investigation meant his plantation. Yost gave his testimony in December 1916, and Leppert gave his about 6 months later, and mentioned Yost as having been useful to him, but did not contradict the statements above quoted.

That is, after they had been in existence for a period of 6 months, reading from page 844.

Now, Doctor, you can go ahead, and you had reached——
(Record read by the reporter.)

Senator LONG. I wish to call your attention to the testimony, to one question and answer, which will be sufficient, in the testimony of Mr. Moore, given in the trial of the case, in which he was asked by his attorney, "Question: Have you any reason to doubt"——

Mr. RIGHTOR. One minute. We object to that. I do not think the doctor remembers testimony given years ago.

Senator LONG. I have that here.

Mr. RIGHTOR. He is reading, there, from a private memorandum.

Senator LONG. No; I have the record.

The CHAIRMAN. I think, of course, the whole record speaks for itself.

Senator LONG. It is not in the record, Your Honor.

The CHAIRMAN. We can take that into consideration.

Senator LONG. We could not get the record.

The CHAIRMAN. The committee is so anxious to proceed with it, we will save time, if the Senator will be brief, and ask him.

Senator LONG. That is what I am doing. I will wind it up, quicker than by our objections, and you will have an indisputable record, that neither one of us will contradict.

Doctor, I have taken and extracted from here. I will ask you who gave me these documents here? Did you supply them to me?

Dr. PIERSON. These are the proceedings of the court of New Orleans, during the process of the trial, taken from the Times-Picayune itself.

Senator LONG. That is, Mr. Moore's paper?

Dr. PIERSON. Yes, sir.

Senator LONG. He, at that time, was the head of this paper?

Dr. PIERSON. Yes, sir.

Senator LONG. And you have taken his testimony?

Dr. PIERSON. I clipped it. Each morning I would clip the Times-Picayune account of the trial the day before.

Senator LONG. Now, I want to quote you one question from this Times-Picayune report, here. I suppose counsel won't object, if I tell him I have copied this out, from here.

Question by Mr. LEMLE. Have you any reason to doubt any of the facts as given to you by Mr. Leppert?

That is a question asked Mr. Moore. Mr. Moore's answer is: "None." Lemle was the attorney for the Times-Picayune. You have already testified about Dr. Herring?

Dr. PIERSON. Yes, sir.

Senator LONG. Being in this institution at that time.

Dr. PIERSON. Several times.

Senator LONG. And you have always testified about Dr. Herring sitting in and informing Mr. Moore about the falsity of these matters?

Dr. PIERSON. Yes, sir.

Senator LONG. All right. You have already testified that the board was there?

The CHAIRMAN. Now, Senator, do not let us go over what we went over yesterday. The committee has that. That is a matter of record, what was testified to yesterday.

Senator LONG. Just one more question, and I will lead into something that is brand new. You have already testified about the Governor and the members of the board telling Mr. Moore, "That is not true?"

Dr. PIERSON. Yes, sir.

Senator LONG. And you have already testified that Mr. Moore was to come to the asylum the next week, if he doubted it?

Dr. PIERSON. Yes, sir.

Senator LONG. And he did not come?

Dr. PIERSON. No, sir.

Senator LONG. Now, did Mr. Moore send anybody else up there to check up and see whether or not these charges were true, and if so, who were they?

Dr. PIERSON. During the visitation, or the continuance of the visitation of Mr. Leppert, Mr. Moore or someone else in New Orleans—I presumed it was done by Mr. Moore, at least, his instigation—selected a committee of civic workers out of New Orleans, the Rev. Mr. Sutton, a Methodist preacher who had been doing quite a good deal of work in the orphans' home, or the boys' homes, I think it is known as—and Mr. Julius Goldman, who was in charge of the orphans' home of the Jewish Synagogue, and they came up and made a careful inspection of the institution, went all over everything. My recollection is they came with Mr. Leppert, and their report speaks for itself. It was a part of the record, and the report itself, made by these gentlemen, was a very satisfactory report.

Senator LONG. They gave that to Mr. Moore? He so testified?

Dr. PIERSON. I think the record shows that Mr. Moore was perfectly cognizant of their report.

Senator LONG. All right. Did you hear Mr. Moore, in that trial, with your own witnesses, testify that he had nothing whatever to cause him to doubt any of the statements that had been made by Mr. Leppert to him, or in those articles that he was publishing? Did the question I read from, and the answer—

Dr. PIERSON. Mr. Moore absolutely stood sponsor for everything that Mr. Leppert did, assuming responsibility for Mr. Leppert's action, entirely.

Senator LONG. All right, now, Mr. Chairman, if the Chair would allow me to abbreviate this 103 pages in the order, in connection with the testimony given by Mr. Moore, as published in the Times-Picayune—

The CHAIRMAN. We will permit you to put it into the record, after you have abbreviated it.

Senator LONG. And with that understanding, I can keep from asking a whole lot of questions of this witness. It will take me, now,—it will take—

Senator BARKLEY. Probably the abbreviation ought to be submitted to the opposing counsel.

Senator LONG. Well, that would be all right. I have no objection to that. I have no objection.

The CHAIRMAN. Did I understand that the Senator wanted to ask the questions now, about this?

Senator LONG. No. I was trying to avoid a lot of those questions.

The CHAIRMAN. I thought what the Senator was requesting was the abbreviation of certain things in the opinion.

Senator LONG. Yes; and in the testimony.

The CHAIRMAN. And in the testimony? And that he was going to put it into the record, and I stated that that would be permitted, because I thought it would save time.

Senator LONG. Yes.

The CHAIRMAN. Because we must proceed along in this matter.

Senator LONG. I want the counsel to see the papers, and have them identified. Maybe we had better have them marked, identified.

Mr. RIGHTOR. See if those are the ones, Mr. Moore, that I gave you.

Senator LONG. This is the testimony?

Dr. PIERSON. Yes.

Mr. RIGHTOR. Show them to Mr. Moore, and let him look over them.

Senator LONG. Just look over those, and I will ask you a couple of questions, while he is doing that.

EXTRACTS FROM THE TESTIMONY OF D. D. MOORE GIVEN IN THE CASE OF CLARENCE PIERSON *v.* TIMES-PICAYUNE (148 LOUISIANA REPORTS 818)

Q. By whose direction was the investigation of the asylums for the insane and feebled minded of the State undertaken?—A. Mine.

* * * * *

Q. Do you recall, Mr. Moore, having sent anyone there to report, and having published an article relative to the management of that institution, prior to the publication of these articles?—A. My recollection is that Mrs. Bishop, of our Sunday staff, went to the asylum, and wrote an article on it, and Mr. Seiferth, who has charge of the agricultural department and the livestock columns, was referred by me more than once to Dr. Pierson, for articles on the work that Dr. Pierson was doing in the agricultural and livestock line.

Q. They were published, were not they, in the Times-Picayune?—A. Yes, sir.

Q. What was the nature of those articles?—A. My recollection is that they were all very creditable to Dr. Pierson.

THE JACKSON REPORT

Q. Coming to Jackson, after Mr. Leppert went to Jackson, when was the first time that you saw him after that, in connection with his investigation at Jackson?—A. Mr. Leppert had no instructions as to where he should go on this investigation. He went first to Pineville, of his own volition; he went then from Pineville, through Baton Rouge, to Jackson, without seeing me, and when I saw him he had spent 2 days, or parts of 2 days, in Jackson.

Moore testified that in sending his investigators "that we wanted facts and we wanted no sensations; we wanted articles that were constructive."

* * * * *

A. Dr. Herring, of Baltimore, called on me one night, and said that he was here to make an investigation of the institutions for the care of the indigent insane, and that any publication in a newspaper at that time would interfere with his investigation. Dr. Herring said he represented an association, or committee; that he was making just a superficial survey, and would return later for a more detailed investigation. At his request, publication was held up.

Q. After your meeting with Dr. Herring—before leaving that meeting with Dr. Herring—did Dr. Herring have anything to say in reference to Mr. Leppert's investigation?—A. He gave me the impression that he approved an investigation

of that kind, but thought that it would be best to wait until after he had made his investigation, before publication of any articles.

* * * * *
 Q. Have you any reason to doubt any of the facts as given to you by Mr. Leppert?—A. None.

* * * * *
 Q. How long was that meeting in session?—A. My recollection is that the meeting began about 11 in the morning, that it adjourned for lunch, and then held until late in the afternoon. We went up on the morning train, and the meeting began some little while after we arrived there, and lasted until late in the afternoon; I don't know how just long.

Q. It was after this meeting, then, of the board at Baton Rouge—some time after that—that these articles appeared in the paper?—A. Yes, sir.

* * * * *
 Q. How long did you say you had lived in New Orleans—20 years?—A. More than 20 years, I have been in New Orleans since 1894, continuously.

Q. In those 20 years, how often had you visited an insane asylum in Louisiana?—A. I have never visited an insane asylum in Louisiana.

Q. How often had you visited any place where the poor and wretched are crowded together and are attended to?—A. I have frequently visited such places.

Q. Name any of them.—A. I have not in very recent years visited any of them.

Q. You see, your moral side was very much shocked from this Leppert matter, by the things that you learned, and I am anxious to show the interest you have taken in the poor and afflicted in New Orleans or Louisiana within the last 10 years—you, personally.—A. Personally, I have taken considerable interest in such things, as the paper will show, through the newspaper.

Q. But you, personally, have never put your foot inside of any of these institutions—eleemosynary institutions—where the poor and wretched are taken care of by other people? You are too busy a man?—A. I don't recall that I have.

* * * * *
 Q. On the other hand, was not it told you by these gentlemen and at that meeting, by someone, that the Jackson asylum had received, in the year 1915, more, as I have just put it—more insane from the jails and places of detention than ever before in its history?—A. Dr. Pierson read some statistics of that kind.

Q. Did you investigate those statistics?—A. I did not.

Q. Notwithstanding those statistics were produced, you persisted in allowing this man Leppert to write, and you, in turn, produced and published a statement in the Times-Picayune to the contrary, did not you?

Mr. LEMLE. I object to that.

* * * * *
 Moore finally made to admit that he had pursued the matter to drive Pierson out of office:

Q. Will you admit you read the articles before they were published?—A. I want to be truthful. I think I did.

Q. All of them?—A. No; I can't swear I read all before they were published.

Q. Who wrote the editorial or flash ahead of the solo?—A. The editorial was written by my order.

Q. Who did?—A. A member of the editorial staff.

Q. You did not?—A. I did not.

Q. Have you any objection in saying who wrote it?—A. Mr. Gray—Matt Gray.

Q. He wrote it at your dictation?—A. Yes, sir.

Q. He didn't know anything about the facts he therein represented?—A. I don't know if he did.

Q. Do you remember what that editorial announced?—A. Yes.

Q. What did it announce?—A. That we were going to print the facts concerning conditions we had found.

Q. It also announced that you were going to print it for the purpose of forcing the resignation of Dr. Pierson, who you did not think was a fit person for superintendent of the institution?—A. You may so construe it.

Q. That was the intention, wasn't it?—A. The intention was to better conditions at Jackson.

Q. It was your intention to get rid of Dr. Pierson, wasn't it?—A. Yes.

Q. Now, sir, can you show anywhere in these articles where you have made an attack on the board of administrators, by name?—A. No.

Q. Have you ever, in these articles, mentioned the name of a single administrator?—A. We did, yes; Mr. West, probably others; I don't recall.

Q. You have laid the entire blame on Dr. Pierson?—A. Yes.

Q. And you followed that on with the idea of driving him out of office, is not that true?—A. Out of that office.

* * * * *
Q. Is not it a fact that these gentlemen said to you, that having heard this case, they were going to adjourn until next Monday, at their domicile, Jackson, where they could act officially, and with Dr. Herring, who was present with you at the meeting?—A. Dr. Herring was admitted to the meeting at my suggestion.

Q. I say he was present. Where you could meet Dr. Herring and go through the institution and otherwise verify and be convinced. Don't you know that was the object of getting you to go up there?—A. I presume it was.

Q. Don't you know that the entire board of administrators were going to meet the following Monday, and Dr. Herring was going to be there at Jackson?—A. Yes, sir.

Q. And don't you know that you led those gentlemen to believe that you would be up there and meet them?—A. No, sir.

Q. You did not?—A. No, sir.

Q. Don't you know that the object was to bring you, a great figure in the city, chief editor of a great paper—to bring you up there, and let you see with your own eyes, whether it was true or false?—A. I do not understand that to be the occasion for their meeting. I did not so understand. I understood that to be merely an incident to their meeting—that they incidentally offered an invitation, which was not an unusual thing, to be invited by people to visit them, or to visit institutions.

Q. You think that is quite the right view you were taking of it, then? Don't you know, Mr. Moore, that the meeting expected the Governor of the State to be up on the grounds with this distinguished alienist, and with the entire board? You knew that, didn't you?—A. I understood the board would meet there for one day.

Q. Including the Governor of the State and this distinguished gentleman from abroad?—A. Yes, sir.

Q. And you had certain charges against the board, which you had made, and against Dr. Pierson, as you now put it, in the presence of this distinguished foreigner, or visitor, and in the presence of the Governor, and those charges were there denied, or some were explained and admitted and otherwise approved, and will say that you did not think that it was the opportunity of your life to go up there and be convinced, yourself?—A. I did not see what could be accomplished there in one day with the board.

* * * * *
Q. Where did you get that impression? From Leppert?—A. No, sir.

Q. From your judgment?—A. From the members of the board.

Q. Sitting there looking at them?—A. No, sir. I had talked to other members of the board.

Q. With whom had you talked?—A. Mr. Willard.

Q. You know, he is dead?—A. I am sorry for it, sir.

Q. So am I. Who else have you talked to?—A. Why the conversations that they had at that meeting gave me that impression, from Mr. West, that the others had but a superficial knowledge of the institution.

* * * * *
Q. Now, I call your attention, sir, to the fact, as your counsel insists that I shall base it on questions, that in the document marked with a blue cross in a circle, which has been identified by Leppert, as a copy or duplicate of the thing he worked from—that in that article, Archie Smith's report contains these words: "The general books (meaning of the asylum) are well kept by a competent accountant and show a great deal of detail work. A trial balance is taken off each month, and kept on file in the office. Each month's vouchers have been put in an envelop, labeled and filed away. With a few exceptions, the vouchers are itemized and bear the superintendent's stamp of approval. The superintendent has installed a system of reports which is very well arranged, and appears to work most satisfactorily. These reports are filled out by the supervisors and attendants and cover every branch of the work, and being filed with the superintendent at regular intervals, he is enabled to keep in touch at all times with everything

pertaining to the daily routine of the asylum. An important and interesting report is one showing the moving population of the asylum. This report shows the total number of patients registered at the end of each month, the total number received, the total number of deaths, total number of discharges and the total number remaining at the end of each month. The report in each instance gives the name, color, sex, age, and residence. For instance, the condensed report for the month of June 1909 shows that at the end of said month there were 1,403 patients undergoing treatment at the asylum." I call your attention to your printed article, which is headed "Accounts of Asylum Checked by Auditor; Conditions Sorrowful", and I ask you whether you know that the paragraph that I have read to you, was or was not incorporated in your printed account?—

A. It is not.

Q. Well, will you tell me why it was not put in?—A. I cannot tell you; I do not know.

Q. Well, you did not consult the data upon which your man Leppert drew this report?—A. It does not follow.

Q. You mean to say that if you had consulted that data, and had found this exceedingly favorable comment of the traveling auditor on the books of the institution, that you would have deliberately allowed a headline of that kind to go out on this article? Would you?—A. I think so.

Q. Sir?—A. Yes.

Q. You still think so. And you are unable to find a reason why the paragraph that I have read to you was dropped out of the article of February 18, 1910, are you?—A. I don't know.

Q. You don't know?—A. No.

Q. You are not willing to hazard a guess?—A. I don't know.

Q. You don't want to give an opinion on it, if I want it?—A. I don't know, Mr. Dart. That may have been put in type and omitted. I don't know.

Q. Mr. Leppert insists that, as he wrote the article, he incorporated that, and it was struck out in your office. Who struck it out?—A. I don't know that they were struck out.

Q. You don't know that they were struck out?—A. No, sir.

Q. Then Mr. Leppert is not telling the truth in that respect?—A. I am not referring to Mr. Leppert's testimony. I am testifying that myself.

Q. But Mr. Leppert testified that he wrote this in the copy furnished to you, and you say you read his copy, did you?—A. Yes, sir.

Q. Now, are you willing to swear that you ever read the original of this article I am showing you?—A. I cannot recall now.

Q. You cannot recall now. Well, you know you have admitted that the article was headlined under your authority by a copyreader?—A. I accept responsibility for the article; yes.

Q. But you are not willing to say that you ever read it through?—A. That was not the question. The question was how those paragraphs were eliminated.

Q. Yes; that was one of the questions. I want to know why it was eliminated, if you can tell me?—A. I don't know why they were eliminated.

Q. Now, did you read this article of February 18, in proof or in manuscript?—A. My recollection is that I read it in proof.

Q. Are you sufficiently familiar with it to say, whether there is anything in it which would indicate that the reports there copied do not affect the present situation of the books in any asylum? To make my question clear, is there anything in your article which would convey to the reader the fact that since 1910 the books of the asylum have been well kept, and that no complaints against it have been made, and it has been approved by the traveling auditor? Is there anything in the article to convey that to the public?—A. I don't remember.

Q. Do you care to look at it to verify?—A. What difference does it make?

Q. It makes this difference—your lawyer says I must not argue with you—do you want me to ask that question?—A. The article speaks for itself.

Q. In writing what would be a truthful account of what happened in 1910, do you, as editor of a newspaper, consider it was not your duty to say at the same time that those conditions do not exist today nor have they existed for a series of years, but that they have been corrected a series of years ago? You don't consider it is part of your duty to tell the truth in that regard?—A. We were dealing with a system that existed at the time.

Q. I ask you, sir, whether the article conveyed the impression to the public that you were criticizing things that happened in 1910, or were reprinting them as a truthful illustration of the situation in 1915?—A. My recollection is that we were discussing conditions existing in 1910. The date of the report was there.

Q. That being your impression, I now show you that you suppressed, or your office suppressed, or your writer suppressed, all the paragraphs which showed that the condition of 1910 no longer existed, and I ask you again, and will give you another opportunity, can you imagine why an article giving the public knowledge that these conditions did not exist in 1915, was not copied by your paper, which pretended to have furnished to the public, a copy of the report in which those things appeared? You cannot answer that question?—A. I cannot answer that question.

* * * * *
 Q. Well, if you were filled with the presumption in 1915, when you published those articles, why was it you did not put in your articles, or see that it was put in—that the books were audited by the State auditor—or employee, and either approved or disapproved? Why did not you put that in?—A. That was a matter of record.

Q. That was a matter of record?—A. I presume.

Q. Is that your answer? I suppose that the jury can accept this investigation I have been making of the matter of February 18, as an illustration of what you, in your direct examination, said was a fair and open and impartial investigation? Yes or no?—A. Yes.

Q. That is your idea of a fair, open, thorough, clean, unprejudiced, impartial investigation? Yes?—A. Yes; with an explanation.

Q. Explain.—A. We started to make a fair, straight investigation; just as far as we were permitted to make it we did.

Q. That is your answer?—A. Yes, sir.

Q. Who is "we"?—A. Mr. Leppert, representing the Times-Picayune; he was the investigator under my orders.

Q. Did you not send Sutton and Goldman up there with the idea that they would corroborate this man's evidence as to what he found up there? Was not that the idea?—A. Certainly.

Q. Certainly?—A. Yes, sir.

Q. Now, then, what became of you? This man went up there and what became of you?—A. What was the question?

Q. Oh, well, where were you on the 9th? The proof shows that he went up there on the 9th of December?—A. Well, Mr. Leppert's visit to me was not the 8th or 9th of December, as I recall it; it was some days before I went.

Q. The proof up here is that Leppert arrived at Jackson the 1st of December. Now, when did he return to you—Friday?—A. I think it was on Friday.

* * * * *
 Q. You also gave employment to one of your principal witnesses, an employee of the asylum, and he is still in your employment? Is not the the truth?—A. Yes, sir.

EXTRACTS FROM THE DECISION OF THE SUPREME COURT OF LOUISIANA,
 HANDED DOWN BY THE CHIEF JUSTICE, IN THE CASE OF CLARENCE PIERSON V.
 TIMES-PICAYUNE (148 LOUISIANA REPORTS 818)

The publications alleged to be libelous relate to the methods employed and to a variety of incidents and conditions which are said to have occurred and been found existing in the insane asylum at Jackson in this State, and which, either in terms or by implication, are attributed to plaintiff, and constitute the bases of certain charges and insinuations alleged by him to be false, malicious, and highly injurious.

The first of the articles in question was intended to be published on Christmas Day, 1915; but its publication was delayed by circumstances to which we shall refer hereafter, and it appeared in the paper of Sunday, February 13, 1915, announced by the leading editorial of that date, which reads as follows:

"THE JACKSON INSANE ASYLUM

"The Times-Picayune this morning begins publication of the results of an investigation of the Louisiana Hospital for the Insane at Jackson. By way of editorial preface, we wish to state that the investigation at Jackson was only part of a general inquiry into the conditions of the State insane asylums in three Southern Commonwealths—Louisiana, Mississippi and Alabama. The survey was inaugurated, not with any purpose or desire to dig up sensations or scandal, but, with the idea of giving the public a clear idea of conditions prevailing in these institutions and their needs in the way of legislation and financial aid.

"The investigation has been under way for some months. Our representatives were instructed to make it thorough and fair. Their work has been facilitated by the State authorities and by the hospital staffs of every institution visited, save one. The official cooperation has been complete and cordial at every institution, save one. Books and vouchers have been readily opened to inspection upon request, access has been cheerfully granted to the various boards, requests for interviews promptly complied with, at every asylum included in the survey—save one.

"The exception to this general and gratifying rule has been furnished, we regret to say, by a Louisiana asylum—the State hospital at Jackson. In that institution, the inquiry was delayed and balked in every possible way by the superintendent, Dr. Pierson. It was persisted in notwithstanding the obstacles placed in the way. The results go a great way, in our judgment, toward explaining the opposition interposed at every step of the inquiry.

"We shall not attempt to publish all the facts and information secured. There are sensational and harrowing details whose suppression is desirable if the changes and reforms which seem to us necessary can be obtained without their publication. But the Times-Picayune is convinced that the public interest and the welfare of the unfortunates who are inmates of the Jackson asylum require a change in the management of that institution. To put it more plainly, we are convinced that Dr. Clarence Pierson is unfit for the post which he occupies. In the series of articles whose publication begins this morning, we shall present facts and reasons which have lead us to that conviction.

"Neither the general survey of the southern asylums nor the exposition begun this morning has been inspired by political motives or personal animus. We regret the necessity of an exposure which must prove painful, and have sought to avoid it. But our effort to bring about the required changes quietly and without publicity has been defeated. We are therefore presenting these matters as a public duty, believing that public opinion, when informed about conditions and practices at the Jackson asylum, will agree with us regarding the situation there and see to it that the needed reforms are brought about."

The display headings, with a few excerpts from the texts of the articles, read respectively, as follows (Feb. 14, 1915):

"Insane Girl Put Under Knife for Kinswoman of Dr. Pierson, 'B.S., M.D.'—Helpless Ward of State Subjected to Operation Without Even Benefit of Full Anaesthesia—Single Cart is Used for Hauling Corpses, Food, Offal and Beef—The Dead are Buried Without Ceremony. (By W. J. Leppert.)

"The Times-Picayune expressed the conviction, on Sunday, that Dr. Clarence Pierson, 'B.S., M.D.', was unworthy to be the head of the State Hospital for the Insane at Jackson, La.

"That conviction was forced after a 3 months' investigation into conditions surrounding the insane and feeble-minded wards of Louisiana and after a painstaking contrasting of conditions in this State with those in Mississippi and Alabama. * * *

"Today will be related some of the many facts that warrant the assertion that Dr. Pierson is, at heart, cruel, callous, inhumane by temperament and unfitted to hold an office wherein kindness, respect for conventional decencies, and consideration for the rights and welfare of his patients are prime essentials * * *."

February 15, 1915:

"Pierson Disregards Professional Ethics in Jackson Asylum—Superintendent of Institution Fails to Protect Patients Left in Charge—Canny and Cunning Evasions and Adroitness Adopted by Him in Attempts to Block Thorough Investigations of Conditions at State Hospital. (By W. J. Leppert.)"

February 16, 1915:

"Insane at Asylum Virtually Isolated—At Mercy of Flames—Unfortunates Forced to Huddle Together on Concrete Floor of Wards—Inadequate Heating Arrangements in Large Rooms, with Broken Windows, Through Which Chilly Winds Blow—Dr. Pierson Gives Out Statement Asking Suspension of Public Judgment for Present. (By W. J. Leppert.)"

"Had any reader of the Times-Picayune accompanied the writer in his first tour of investigation through the East Louisiana Hospital for the Insane, at Jackson, during the last days of November, he would have been fully as horrified as was the newspaperman.

"The institution at Jackson was the third of the kind visited. * * * Years of experience among people in distress, in jails, in hospitals, and in other cess-

pools, wherein swirl human flotsam, had, in a measure, prepared the writer for a saddening picture", etc.

February 17, 1915: "Dangling Ropes Tempt State's Insane Charges to Commit Suicide—Ropes are Found Hanging Within Easy Reach of Dr. Pierson's Patients—Monotonous Diet of Food, Exposed to Infection During Transfer from Kitchen to Dining Room and Eaten by Patients Without Aid of Knives Compares But Poorly with Epicurean Delicacies on Table in \$9,800 Cottage. (By W. J. Leppert.)"

February 18, 1915: "Accounts of Asylum Checked by Auditor—Condition Sorrowful—When Doctors Resign Their Lapsing Salaries Are Divided Among Others—Missing Vouchers Aggregating \$1,561.35. According to Traveling Auditor A. M. Smith—Retainers Paid Outside Lawyers Despite the Fact that State Pays One to Care for Asylum's Litigations. (By W. J. Leppert.)"

February 19, 1915: "Dr. Pierson Enjoyed Luxuries and Autos at State's Expense—Traveled Widely but Never 'Docked' Himself For His Absences—Institution and Insane Patients Neglected While Servant of People was Away from Post—Interesting Correspondence When Scandal Reached Ears of Governor Hall. Failed to Resign, but Hastily Withdrew from Race for Political Office. (By W. J. Leppert.)"

It will be observed that the reasons assigned, in the editorial of February 13 and thereafter, for the publications in question are made the bases of a "conviction" expressed by the editor, as the authorized spokesman of a newspaper boasting a circulation of from 50,000 to 55,000 in Louisiana, where Dr. Pierson was born and reared, the surrounding States, and elsewhere throughout the country and foreign lands, "that Dr. Clarence Pierson is unfit for the post which he occupies," which expression is followed by the equally authoritative statement that—

"In the series of articles whose publication begins this morning we shall present facts and reasons which have led us to that conviction."

We have therefore the declared intention of the defendant to publish a series of articles whose sole purpose is to inform the public of facts and reasons why Dr. Pierson should be held unfit to hold the position of superintendent of the State insane asylum.

The publications here in question are shown to have been inspired by blind recklessness and a malicious desire to discredit plaintiff and injure him in the estimation of the community in which he lives and of the public at large.

That the published statement that plaintiff interposed opposition to the alleged investigation here in question of a character to "engender a suspicion of something akin to rotteness" in the management of the asylum, and the implication that such suspicion had been confirmed by said investigation, was wholly false, malicious, and misleading.

That the repeated statement that said alleged investigation was but part of a general inquiry into the condition of the insane in the three States of Louisiana, Mississippi, and Alabama was false, the facts being that no inquiry was undertaken in either of the States last mentioned.

By getting his man his pretended investigation would be justified, and he would be rewarded by promotion, with increased pay, in the service of the Times-Picayune or elsewhere.

That neither the investigator so employed nor his immediate employer (defendant's editor and manager) possessed the knowledge or experience required to make ex parte an investigation such as that here in question of an insane asylum containing over 1,600 inmates and 200 employees, with a view of determining the questions of the efficiency or inefficiency of its administration and of the treatment of its patients.

That, in the main, the charges set forth in the publications complained of may be divided into the several classes, to wit:

Those which are wholly false, malicious, and misleading; those which contain half truths, which convey, and are intended to convey, false impressions, including alleged conditions, referred to as presently existing, but which had been changed for the better, to the knowledge of the investigator, long before he appeared; those in which conditions complained of were in course of being changed, to the knowledge of the investigator, when the pretended investigation began, of which circumstance the publications make no mention; acts of omission and commission by subordinates, which, without fault on the part of plaintiff, came to his knowledge only after the events, and with respect to which he then took such action as was proper and possible; acts of that character of which plaintiff never heard until they were stated in the publication in question or in defendant's answer; charges which are patently frivolous or inconsistent, or which defendant,

though averring their truth in its sworn answer, had made no attempt to sustain by evidence.

The law (R.S. 1763, 1764) requires, and the witnesses testify, that the expenditures, save the wages of subordinate employees (which the publications complain are too low) and small items of petty cash, shall be, were, and are determined by the board. The chairman of the executive committee has lived for years and attended to his business, as president of a bank and farmer, within 12 miles of the asylum, and has kept in almost daily communication by phone or otherwise, with the superintendent, and the latter has taken no important step without consulting with him, and, when necessary, obtaining special authority from the board. The testimony to the effect thus stated is conclusive, there being no attempt to contradict it.

In the spring of 1915 plaintiff and several other citizens were discussed by the press and the electors as candidates for the gubernatorial nomination, and the Times-Picayune disapproved of three of them, including plaintiff, in an editorial published in September. In the spring of 1915, also, and, as we conclude, following the disclosure of plaintiff's candidacy, the editors and managers of the Times-Picayune decided that it was the duty of that paper to investigate the condition of the insane, it is said, in Louisiana, Mississippi, and Alabama, but the evidence, and lack of evidence, to which we shall refer, show that no serious investigation for publication was actually prosecuted elsewhere than in the asylum of which plaintiff was superintendent, and that the purpose of the investigator employed by defendant was not to make a thorough and fair investigation and a report showing the good as well as the imperfect conditions found by him, but to find anything which, of itself, by distortion or by the aid of lurid pictures, might be published to the injury of plaintiff. It is for that reason that we refer to the investigation as "pretended" or "alleged," since the work of ascertaining and reporting only that which was prejudicial, or could be made so, involved an "investigation" only of a sort.

The investigator in the case was Mr. W. J. Leppert, and he was selected by Mr. D. D. Moore, one of defendant's editors and managers, who testifies that he had known Leppert long, and considered him well equipped for such work. At what time exactly the selection was made is a matter which the evidence leaves in some doubt. We, however, consider it established with reasonable certainty that the collection of information and misinformation on which the investigation was subsequently predicated would have been entered upon with a view of defeating plaintiff's nomination, and in good time for that purpose if it had not been that plaintiff withdrew his name from public consideration as a candidate on, say, October 15, 1915. It, then, of course, was no longer necessary to attack him in order to prevent his securing the nomination, and defendant rather emphasizes that point.

But whilst the motive and purpose of defendant's editor and manager is of importance as perhaps influencing the report turned in by its investigator, and its publication after it had been considered, the motive and purpose of Mr. Leppert is of still more importance, as interpretative of his methods and of the report as made by him sent in for publication, and published by authority of the editor and manager.

The purpose of the investigator, in this instance, was a malignant one * * * to destroy plaintiff's character and drive him from the position in which he was earning a livelihood for his family and himself; and, as means to that end, he entered upon his pretended thorough, and fair investigation by attributing to plaintiff responsibility which had never been imposed on him and which had not, and could not, lawfully, have been assumed for the entire administration of the asylum; with the deliberate intention of seeking out and exaggerating every act of commission or omission pertaining to that administration and its actual or possible effects to which, in his biased judgment, or imagination, fault, negligence, or evil motive could be attributed; of ignoring all good work done and all beneficent results achieved by plaintiff; and of publishing to the world, in the columns of a widely circulated newspaper, a lurid report, replete with falsehoods and half truths, of existing conditions and conditions which, by plaintiff's direction had long since ceased to exist, thereby bringing doubt, anxiety, and sorrow to the widely scattered members of the community having relatives and friends among the patients of the asylum and who were without the means to afford the relief which such report would seem to demand, whether by the removal of the patient or otherwise, thereby exciting a widespread, unjust, and injurious feeling of resentment and hostility to plaintiff among the people of the community in which he and his family were born and reared and had hopes of living happily in the future.

The published statement that the investigation was inaugurated with no purpose or desire to dig up sensations or scandals, and that "there are sensational and harrowing details whose suppression is desirable", with the implication that they had been suppressed, are utterly at variance with the publications themselves. Thus, though there had been no such thing at the asylum for 4 years prior to the advent of Mr. Leppert, as the "cart" mentioned in the headlines of the article of February 14, these headlines read in part (our italics):

"Single Cart is Used for Hauling Corpses, Food, Offal, and Beef. The Dead are Buried Without Ceremony."

And, in the body of the article, it is said:

"The representative of the Times-Picayune has witnessed the ruthlessness of a mob; he has watched the frenzy of lynchers. These can be accounted for. But the inhumane treatment meted out to the pauper dead, to feebleminded individuals, and the State insane, makes the other picture pale from indignant recollection. The countenancing of such wrongs speaks volumes. That they were permitted at any time in any civilization tells of an unbelievable callousness of soul. * * * There existed at the Jackson asylum a morgue cart. It was a simple, crude affair. It was put to many uses. * * * The same wagon in which was carted the wet, soiled, unsanitary mattresses from the filthiest of filthy hospital wards, was used" to carry "the corpses of the dead house to the shallow graves. * * * Not alone, in this respect, was Dr. Pierson callous. When an unfortunate insane dies at Jackson, all interest in him absolutely ceases. There is no attempt at religious service. The body is placed in a rude box. A shallow grave is dug by insane patients. An underling sees the corpse interred. The rude box is placed in the grave. The earth is covered over the body. That is all. Not a 'God be with you' is spoken. No prayer is raised. No clergyman is summoned. No more ceremony is observed with the poor unfortunate than if it were a hog that had died, while being fattened. The course is identical. Sometimes they go to more trouble with the hog. They burn it. * * * But the Times-Picayune will give its readers another glimpse into conditions at Jackson and still another custom which warrants its indictment of Dr. Pierson.

"When a patient dies in that institution, and his, or her, body is unclaimed, it is removed to the dead house. There it is cut up. There it is dissected. There it is examined. This has been done, with the knowledge of Dr. Pierson. It has been done so often that it has become a custom. That it is a heinous wrong does not seem to have occurred to Dr. Pierson. That it constitutes another example of official inefficiency, carelessness, inhumanity, and callousness is stated as a fact and presented for public consideration. * * *

The entire article fills about four solid columns, and the style is much the same throughout. There is some pretense that because, in referring to the cart, the article reads:

*"There * * * existed * * * a morgue cart * * *. It was put to many uses," etc.*

It reads in the past tense. But, if so, why was it written? The investigator was sent to investigate matters requiring remedies; why should he fill the columns of the paper with ghastly descriptions of conditions for which remedies were provided years before he appeared? The pretense is false. The article speaks to the ordinary reader as of the time of the investigation, and was so intended. The headline reads: "Single cart is used for hauling corpses." The undisputed facts are that in its early, and even later, days the asylum lacked many things that it should have had. * * * But in 1911, 4 years before Mr. Leppert appeared, a hearse was built, and since then the dead have been conveyed to their graves in no other vehicle. The statement that they are put in a "crude box" creates an erroneous impression, and it can hardly be denied that it was so intended, for it reads, "The body is placed in a crude box," whereas since 1911 the dead have been put into wooden boxes, to be sure, but they are in the shape of coffins, and appropriately painted. The adjectives "filthiest of filthy," as applied to any ward that Mr. Leppert found at the asylum, are viciously and maliciously misapplied, as there were no such wards. And the same may be said of the description of the burials and the statement that-

"No more care is observed with the poor unfortunate than if it were a hog that had died while being fattened. The course is identical. Sometimes they go to more trouble with the hog; they burn it."

The published statement that the dead were dissected is shown to be false; hence the subsequent statement attributing to Dr. Pierson "official inefficiency, carelessness, inhumanity, and callousness" on account of such dissections is an aggravated falsehood.

The headline charge, amplified in the article of February 16, contains statements to the effect that the insane in the asylum at Jackson are virtually isolated, at the mercy of flames, and that the responsibility and imagined consequences that may result are to be attributed to the negligence of Dr. Clarence Pierson, the superintendent, which is a gross and willful misrepresentation of the real situation.

From all of which it appears that a body of men whom our Governors, having the entire intelligence, honesty, and experience of the State to choose from, have, during a period of 10 years, selected to administer the affairs of an asylum, containing from, say, 1,360 to 1,650 insane persons and 200 officials and employees, a body of men who, in all other respects, appear to have vindicated the wisdom of their selection, have so discharged their duties as not to earn the approval of Mr. Leppert, or his employer, but that they have, nevertheless, escaped defendant's criticism, while their executive officer has been published to the world as callous, inhumane, criminally negligent, and generally unfit for his position because he has obeyed their instructions and the law which required such obedience.

Be that as it may, the facts remain that Mr. Leppert had achieved no particular success in anything that he had undertaken, prior to his employment by defendant, and that, conceding that he had, at that time, attained a high position as a newspaperman (as Mr. Moore testifies), his value, as such, was fixed by that employment at \$30 a week. We, therefore, find nothing in his experience, of either failure or success, in other lines of activity, to warrant the conclusion, reached by Mr. Moore, that he was especially equipped to make a thorough and fair investigation of an insane asylum, or to proceed to prosecute, convict, and sentence the plaintiff herein without giving him an opportunity to be heard.

The evident purpose of the description is to harrow the feelings of those having relatives and friends in the asylum, and excite their resentment and indignation against the person whom the writer charges with the entire responsibility, for the suddenly discovered peril, to which such relatives and friends are said to be subjected, and whom the concluding sentence, in terms, declares to be Dr. Clarence Pierson, "who has, for 10 years, been so forgetful of the needs of his patients that he has provided no fire escapes," etc. It is not altogether surprising, in view of such a publication, and others of a similar character, that one of the administrators should have heard a passenger in a street car express the opinion that Dr. Pierson should be driven out of the State; and it seems deplorable that a person capable of writing such matter should be given access to the columns of a newspaper, and actually paid even \$30 a week for its production.

In the same article (Feb. 16), under the front-page headings:

"Unfortunate inmates forced to huddle together on concrete floor of wards.

"Inadequate heating arrangements in large rooms with broken windows through which chilly winds blow. Dr. Pierson gives out statement asking suspension of public judgment for the present."

* * * "It is small wonder that an insane person at Jackson remains incurable with the nightly nightmare of a rodent's visit and the fear of the rodent's teeth embedded in the flesh. * * *

"When one man made the bold statement that the bedding was vermin infested, and when his statement was given but half-hearted belief, an employee added his testimony that the man spoke the truth and that one patient had amused himself with threading bed bugs on a string.

"There is no need to deny the presence of roaches. The Times-Picayune man saw them for himself. They were present in all the variety of roach age, size, and virility.

"It is an unquestioned fact that rats roam throughout the institution. The age of the old buildings is possibly an excuse for their presence. There are thousands of them about the institution.

"The policy of waste of food stuff, the absence of systematic rat baiting, and the throwing about of food make for the continuance of the rat pest."

Two gentlemen who were sent up by Moore, at Leppert's request, made an inspection under Leppert's guidance, and in their written report to Mr. Moore, had only this to say upon the subject of cleanliness, to wit, "Beds, bedding, and floors clean." And we imagine that, if their guide knew anything that was so unclean as to merit attention, he would not have allowed it to escape them.

The imaginary rat, with the beady eyes and the cold feet, described in the second excerpt, becomes more shadowy when the investigator descends to the realms of fact and gives his testimony under the obligation of his oath as a witness. He says that he saw but four rats during the almost 3 months that he was engaged in his investigation—all dead and in traps, and that he never saw either a roach or a bedbug.

The top lines, in the largest type found in the paper of February 18, 1915 (save the title), read:

"Accounts of asylum checked by auditor, conditions sorrowful."

The article of February 19, in its headlines, charges plaintiff with enjoying luxuries and autos at the State's expense, with traveling widely and failing to "dock" himself for his absences, and with neglecting his patients.

"The story has been told (reads the article, on the first page) how Dr. Pierson stocked his private cellars with choice wines and champagnes for the use of his friends and for the use of his family, and the story has been told how these State-bought goods were used for the general entertaining of his kindred who seemed always on prolonged and constant visits to the State institution."

It will be noted that the heading of the article states it, as a fact, in large letters, that "Dr. Pierson enjoyed luxuries and autos at State expense," and that in the body of the article it is said, "The story has been told," etc. The record does not disclose the names of the tellers of the stories, but the evidence shows that, no matter whether told or invented, they were untrue, the facts being that Dr. Pierson at no time has had a private cellar, and that the three or four bottles of wine that were in the cold storage room of the asylum, and had long been there, in charge of the housekeeper, were kept for the use of the patients, or for emergencies when wine would be needed.

While the investigation here in question was in progress, there happened to come to this State Dr. Arthur P. Herring, a gentleman who, for many years, has devoted himself to the study of questions concerning the care and treatment of the insane and the management of insane asylums. He came South at the instance of the medical director of the National Committee on Mental Hygiene, of New York, a committee established for the purpose of improving the care and treatment of the insane, "to ascertain the actual conditions under which patients are treated, and, if need be, to make recommendations which would improve the conditions in the institutions and thereby bring the care and treatment of the insane up to a higher standard," and his qualifications for that service had been acquired in various positions, including the following, to wit:

Associate professor of neurology at the Baltimore Medical College of Physicians and Surgeons; associate in neurology for 8 years at Johns Hopkins Medical School; visiting physician to the Department of the Insane at the City Detention Hospital (Baltimore); neurologist in chief at St. Agnes Hospital; visiting physician to the Neurological Out-Patient Department in Johns Hopkins Hospital; special field agent for the National Committee on Mental Hygiene. At the time that he testified he was secretary of the State Lunacy Commission of Maryland, having direct supervision of five State asylums and 14 private asylums for the insane, containing over 7,000 patients, his special duty being to visit the hospitals and see that the patients are kindly treated, and to supervise the business management and everything relating to the care and treatment of the insane. He had previously visited Louisiana as the field agent of the National Committee above mentioned, to investigate the condition of the insane, whether in asylums, detention hospitals, or jails, and had come again on the same mission. Having heard of the investigation and intended publication by the Times-Picayune, he called upon Mr. Moore, editor-manager, and represented to him (quoting the testimony of Mr. Moore) that—

"Any publication in a newspaper at that time would interfere with his investigation, and the first publication was therefore held up."

He again called early in January, 1916, and he says that Mr. Moore then read to him an editorial which had been prepared, and that thereafter, from time to time, he discussed with him and Mr. Leppert the matters contained in the articles which were subsequently published. In the meanwhile he visited and inspected the Jackson asylum several times, and attended a conference, held in Baton Rouge, later in January at which were present the Governor, as ex-officio president of the board of administrators of that asylum, all the administrators save one; the superintendent, Mr. Moore, and himself, the purpose being to hear what Mr. Moore proposed to publish, to afford the administrators and the superintendent an opportunity to be heard, and to determine, or, at least, to have Mr. Moore determine, whether the publication should be made.

The conference lasted the greater part of a day; Mr. Moore stated, from notes, the substance of the various charges which were subsequently published, as has been stated. Dr. Herring, examined, under commission, as a witness in this case, testified that he visited the asylum several times between January 1 and 15, 1916, at the request of the medical director of the National Committee on Mental Hygiene and made subsequent visits at the request of the Governor of this State,

and that he made a written report; from which testimony and report we make the following excerpts:

"I made a very careful inspection of the entire institution, as well as of the farm colony, going through the institution both during the day and at night, and examined carefully the methods employed in treating the patients, and also studied the business methods used at the hospital. * * * The scope of my investigation was entirely sufficient to enable me to obtain a comprehensive view of the institution. * * *

"While the report is brief, as it is intended to be, I am sure that it does not conceal or fail to state anything that I saw during my visits; that is, anything that I considered worthy of comment and of sufficient importance to embrace in a brief report. There was absolutely no intention to conceal anything which I saw, and the report is perfectly truthful and honest. * * * I will say, in a general way, embracing all of the items which I have mentioned, that the East Louisiana Hospital for the insane compares favorably with the best of the institutions in the country and in a great many ways far exceeds similar institutions, especially those in the South. * * * I could not fail to notice in going through the institution that improvements had been made which were in every way beneficial to the patients, for example (and he proceeds to mention some of the very many improvements which had been made)."

From his report to the board of administrators we make the following excerpts:

"The first and strongest impression of the hospital is the freedom, comfort, and cleanliness of the majority of the patients. There is a class of patients who must, of necessity, be more closely confined than others, and there is another class who are destructive and untidy. Special accommodations must be had for these two groups. The small amount of restraint and seclusion among 1,600 patients is really remarkable. I am thoroughly convinced, after a careful study of conditions here, that the patients are kindly and humanely treated in every way, both by the doctors and nurses. That accidents, injuries, and such like occur is quite likely, as they occur in every large hospital for insane or any other large institution, but from a careful examination of the patients the number of such occurrences is very limited.

"I was especially impressed with the sanitary condition of the wards; the floors are clean, the beds and bedding well kept. The lavatories, with cement floors and walls and modern plumbing, are satisfactory in every respect. The dormitories in the building, for negroes especially, struck me as being free from odor, and clean and neat in appearance. The lack of restraint among the negroes is rather unusual, due to the fact that a large number of these patients are employed."

But in our opinion he (D. D. Moore) was recklessly incautious, and indifferent to the consequences to plaintiff, in publishing the matter sent in by Mr. Leppert, especially as he was afforded the opportunity of hearing the opinions of men of long experience in such matters, one of whom, at least, was an expert and entirely disinterested.

Moreover, defendant has shown nothing that can be considered in palliation of the attack, but, to the contrary, has aggravated the original wrong by a wholesale affirmance of the truth of its false and libelous statements.

[Telegram]

NEW ORLEANS, LA., April 16, 1934.

Senator HUEY P. LONG,
Washington, D.C.:

During your campaign for governor 1927-28 I served as contact man and am now secretary of New Orleans organization caucus and served since 1927 to date as the member from the fifteenth ward. Election occurred about January 17, 1928, expenses and deductions for payment of bills was made by John P. Sullivan and money retained by him to pay bills before money was given out for precincts, and there was left something over \$30 to each precinct for election day. You were in no way responsible for all bills incurred by new regular organization and the ward organization in the New Orleans election of 1928, because we had our separate candidates from all wards for members of the legislature both in the House and in the Senate and for members of the Democratic State Central Committee comprising in all some 50 candidates to say nothing of some other State candidates, the expenses of which could not be and were not your campaign bills. Examination of checks and vouchers filed by John P. Sullivan will show

on the face of some of them the falsity of any statement that they were bills due by your campaign. For instance, check the bill of Toye Bros., Yellow Cab Co., dated February 29, 1928, and you will see it is made to John P. Sullivan, 642 Commercial Place and is for cab service from February 2 to 28, 1928. Your primary election was over January 17 and this bill necessarily, as it shows, was for expenses incurred in campaign of a State senator and two members house of representatives in the third ward. Take the bill of the Addressograph Co., no date supposed to be for addressograph plates of the third ward and billed to John P. Sullivan.

That is solely a private ward matter and probably Sullivan himself. Take the bill of the Franklin Printing Co., \$1,087.25, on which Sullivan paid \$437.25; examination of that bill will show the amount paid by Sullivan was not part of Huey P. Long's expenses at all. Would estimate these \$650 previously paid evidently by Long would be about part of the bill that was Long's share. Take the bill of Sam W. Taylor, strictly for printing ward ballots, expenses to be taken out and paid by the wards, particularly when purpose was to help representatives by having their names shown as candidates on the Long ticket; then take other bills of Sam W. Taylor for \$301; note most of it was incurred for supplies from February 23 to March 8, 1928, which was long after Huey Long had been elected Governor. Look at bill for flags on train to Baton Rouge for inauguration; no one ever heard of that being Governor Long's bill for people to attend inauguration. Miss McKenna, \$100 charged is something new; never heard of her being employed in Long campaign, certainly never heard of anyone paid \$100 to make out checks. Look at charge of Rose McCaffery for multigraphing April 13, 1928, strictly third ward matter, apparently Long after Governor's race. As example, we had Senator Davey running in second primary after Long was elected Governor for State senator from first, second, and fifteenth wards, our bill will not be found in file because we paid them, nor should Sullivan's bill of third ward be found in file for first or second primary when they had 2 candidates for the House of Representatives and 1 candidate for State senate and 1 candidate for Democratic State central committeeman. Remember specifically we were supposed to have \$50 for each precinct the day of election which was reduced to thirty-odd dollars, because money was taken out to cover bills. Amount left in hands of Maestri and others later spent on automobile was supposed to have been used to start second primary, but Wilson withdrew and there was no second race. Only ward that broke rule not to try to charge ward expenses against State campaign was Sullivan and the third ward, all such should be charged locally to that ward and was a personal debt of Sullivan and his third-ward organization. All wards paid for meetings held in wards and not supposed to be charged to Long campaign at all.

CHARLES J. DONNER.

[Telegram]

NEW ORLEANS, LA., April 15, 1934.

Senator HUEY P. LONG,
Washington, D.C.:

I made all arrangements; had printed everything for banquet given you after you were elected governor. Col. Robert Ewing signed invitations; John P. Sullivan had nothing whatsoever to do with any arrangements except that I did invite Sullivan and Carbajal to sit at speakers' table, but neither spoke that night. Newspaper files will show that Sullivan's name nowhere appeared.

WILLIAM P. DILLON.

[Telegram]

NEW ORLEANS, LA., April 15, 1934.

Senator HUEY P. LONG,
Washington, D.C.:

Referring to bill for printing December 1927 and January 1928 for \$1,087.25, note on the bill that \$650 was previously paid; this amount was paid by you and the balance of the bill amounting to \$437.25 was to be paid by others for printing not chargeable to you and was later paid by Sullivan with that understanding.

FRANKLIN PRINTING CO., INC.,
By JOS. B. DAVID, President.

Senator LONG. Was Mr. Leppert indicted, and Mr. Moore indicted, as a result of these charges against you?

Dr. PIERSON. Yes, sir. When these articles appeared, they ran for 8 continuous days, giving me the front page, the first column on the left, of the Times-Picayune, and the articles were signed by Mr. Leppert, and they ran, beginning on Sunday morning, and ran continuously for 8 days.

Senator LONG. Did they not, in starting their barrage on their front page, give you the alternative of quitting, in their epilogue, copied here in the decision, or to have those things printed against you?

Dr. PIERSON. They wrote me a letter after they had finished eight continuous articles, telling me that they had been very generous with me, and they would permit me, now, to answer them in the Times-Picayune, provided I limited my reply to so many words. Well, the articles were so long and so continuous, a thousand charges, I would have taken a year to do it, in their own paper, even if I had been permitted to do it, so I brought a damage suit, civilly, in the City of New Orleans, the domicile of the company. I went to the counties, the parishes, to give publicity, because I did not have publicity with newspapers, and I went to three counties, and had them get before the grand juries, and had Mr. Moore and Mr. Leppert criminally indicted.

Senator LONG. Mr. Leppert was indicted in the town of Clinton, I believe?

Dr. PIERSON. Mr. Leppert was indicted in the parish of East Feliciana, where the institution in Jackson is located.

Senator LONG. That is, the town of Clinton, isn't it?

Dr. PIERSON. That is the town of Clinton. His county was Feliciana Parish, and Mr. Leppert pled guilty to the article—to the libel, rather, and he was fined and sent to jail, I believe, for a nominal time, paid his fine. I did not go to the city of New Orleans to indict Mr. Moore criminally, because I had already brought my civil suit against him, he and the Times-Picayune, and therefore it was unnecessary to go to the city of New Orleans.

Senator LONG. Was he indicted in other parishes?

Dr. PIERSON. Yes, sir. He was indicted in Rapides Parish, my home parish, Alexandria being the county seat, and he was indicted in Plaquemine, in Iberville Parish, under a series of counts; I think some 25 or 30 indictments, in those three parishes, against these men.

Senator LONG. This little statement, Doctor, here—I will ask you what action you took with regard to this challenge that was published, February 13, 1915, the Times-Picayune statement of what it was going to do on its front page?

We shall not attempt to publish all the facts and information secured, their sensational and harrowing details, whose suppression is desirable, if these reforms, which seem to us necessary, can be obtained without their publication. To put it more plainly, we are convinced that Dr. Clarence Pierson is unfit for the post which he occupies, but our effort to bring about the required changes quietly and without publicity has been defeated. We are therefore presenting these matters as a public duty.

I gather, Doctor, that we might understand that that was a fore-warning to you that all they were demanding was that you get out, and that you could avoid this sensational publicity if you would quit. Did you so understand at the time?

Dr. PIERSON. Mr. Leppert made that announcement in the community, when he first came there, the first day or two, that they were after me, and that they wanted me to get out. He did not make it to me, but he made it to the committee there, to the various officers in the institution, various subordinates in the institution. He tried to produce pandemonium or mutiny among my employees, 2 days before, or 1 day, when I was absent, when he first get there, before I was on the premises of the institution, and the third—second day I got back, and took charge, and announced to Mr. Leppert that I would be glad to cooperate with him, but under no circumstances would I permit him, as the executive officer of that institution, to run wild and run hari-kari all over that institution, demoralizing the patients and the employees and everybody else, claiming that he was going to do certain things to me.

Senator LONG. All right. I am going to ask you only one more thing. I am going to make this question. It might be subject to objection, but I am undertaking to just give the committee a little horoscope, so I can let the witness go.

Among those charges was, that there had existed a morgue cart, for the hauling of bodies, that they admitted had not been there for 5 years before Leppert came there. That was one, was it not?

Dr. PIERSON. That was one, but that was one of a hundred corrections that I had made at the institution during my occupancy of 10 years there, and he tried to get witnesses who had been working there when I first went there, to testify that that condition did exist, but it was a condition that had been there for 30 or 40 years, and I revolutionized the institution, by organization and better methods, and more modern, humane conduct of the patients, and giving the employees better service, and everything, and of course the patients were there—I mean, employees were there, originally, and knew some of these things, but that is the distinction he tried to make. I had corrected these things long before Mr. Leppert had been there, for several years. I was not responsible for them originally. I was the one corrected them, but those—

Senator LONG. Wait a minute. Do you recall the part, that the rats were sleeping with the patients, running over their lips in the nighttime? Do you recall that particular charge?

Dr. PIERSON. No, sir. I know that that is one of the charges that Mr. Leppert made, but—

Senator LONG. To which he testified under oath, on the stand?

Dr. PIERSON. I was not with him. I do not know about what rat—he may have seen a rat, there.

Senator LONG. And was it not testified, by those civic workers, and Dr. Herring, who went up there, that there was no such thing there in the institution?

Dr. PIERSON. I do not recall that feature of the thing, of the testimony.

Senator LONG. You do not recall those?

Dr. PIERSON. There are so many of them. I know that there were different witnesses testified to the actual condition of the institution. I thought that was a very small matter to row about—rats. I never saw a domestic home in the world that did not have rats.

Senator LONG. All right. Now, Mr. Moore pleads “no jurisdiction” to those indictments, I believe?

Dr. PIERSON. Mr. Moore plead, I believe, that—he made the plea—, I am not familiar enough with the legal procedure—that no one could bring an indictment—I mean, charge—against a newspaper, except at its domicile, and that this case was taken to the Supreme Court on rules, and the court so decided, that that case could not—that I had to go to the domicile of the paper, to bring this suit—

Senator LONG. Only one more point.

Dr. PIERSON. And that—

Senator LONG. I think that is sufficient on that. Only one more point that I wish to ask you. You remember that the statements were made by Mr. Moore, sworn to on the stand, that this was a mere part of a general investigation that had been conducted throughout the South, of all institutions where insane were confined, particularly Louisiana, Mississippi, and Alabama, in which it had been thorough, and that this was a mere part of it?

Dr. PIERSON. Mr. Moore wrote me a letter, and gave to Mr. Leppert, as an introduction to me, that his purpose was to make an investigation of the insane, and that he would naturally like to know something of the East Louisiana Hospital.

Senator LONG. I know. I am referring to the specific words that he used in his testimony.

Dr. PIERSON. And he said then—

Senator LONG. Go ahead.

Dr. PIERSON. That he was going to make an investigation of these other States.

Senator LONG. Well, did not the reports and the evidence of Mr. Moore state, under oath, that he had conducted a general investigation throughout the South, Louisiana, Arkansas, and Mississippi, and that they just accidentally ran up on yours, and noticed the horrible comparisons, in the course of the work?

Dr. PIERSON. My recollection of the entire testimony—there was volumes of it—that that testimony was given in the case.

Senator LONG. All right, now. Did not, later in the trial, Mr. Leppert and every witness they had, finally admit that they had not done anything of the kind, and that the sole thing was to get you, and that they had never been in Arkansas, and they had never been in Mississippi, and they had never been in Alabama, after Mr. Moore testified under oath?

Dr. PIERSON. I could not testify positively that they did not go to these other places, because that was purely a matter for Mr. Leppert to handle, and I do not remember his testimony on that one point.

Senator LONG. On that point, I will read you from the Supreme Court, just one line, and that will conclude my use of this witness. I wrote that, and I thought it would be of some use to me. Here it is. I read you, in that line, from the court, the repeated statement, that the said alleged investigation was a part of a general inquiry into the conditions of the insane in the three States of Louisiana, Mississippi, and Alabama, was false, the facts being that no inquiry was undertaken in either of those States last mentioned. That is page 832. I, therefore, Doctor, call your attention to this Mr. Moore's testimony, no. 1, that he had nothing whatever upon which to challenge the truthfulness of anything Leppert brought in there; no. 2, that he had conducted an investigation around the South, notably, in three States, and the fact that the court says here, and Mr. Moore's

witnesses admitted, first, that they had two more people and Dr. Herring up there, that told him to the contrary, not counting the governor, yourself, and the board, and that as to the other charge, that it was admitted by Leppert and by all their own witnesses, finally, that they had never been outside of Louisiana, and had located themselves primarily at your place, for the work of destroying you?

Dr. PIERSON. Yes, sir; that is essentially the fact.

The CHAIRMAN. Any questions to Dr. Pierson?

Mr. RIGHTOR. May I simply refer to the fact that this case appears in the Eighty-eighth Southern Reporter, at page 76; that the flyleaf shows that there are five members of the Supreme Court of Louisiana; and at page 77, the opinion shows that the case was tried twice before a jury, and the jury were unable to agree on a verdict in favor of either the plaintiff or the defendant; that it was tried a third time, before a judge without a jury, and a judgment of \$7,500 was rendered.

The CHAIRMAN. What is the style of the case?

Mr. RIGHTOR. Pierson versus Times-Picayune. That at page 113 it appears that the court cut down the verdict from \$7,500 to \$2,000, and the court stated, particularly, at page 116, that that was about the expense the plaintiff had been put to in filing and trying the case, and they gave judgment for that amount; that whilst the opinion is rendered by Chief Justice Monroe, Judge Dawkins concurs in the decree only; that the Federal Reports will now show that he is the judge of the United States Court for the Western District of Louisiana; that at page 116, in the concurring opinion of Judge Provosti, who was afterwards chief justice of Louisiana, Judge Provosti says this:

Indeed, counsel for plaintiff (Dr. Pierson) dictated to the stenographer on the trial an admission that the publications complained of are based on the truth, but the report of an investigation should be unvarnished, not only in the sense of giving the truth whole, but also in that of not embellishing it.

That there is a dissenting opinion by the present Chief Justice O'Niell, at page 113, and he says particularly, at page 116:

Nor do I concur in the opinion that Mr. D. D. Moore, managing editor of the Times-Picayune, was recklessly incautious or indifferent to the consequences to plaintiff, in publishing the articles written by Mr. Leppert.

I will ask the committee also to permit me to refer to the Seventy-second Southern, at page 965, in the case of *State v. Moore*, wherein Mr. Moore had been indicted in the parish of Feliciana, and the supreme court decided that there was no jurisdiction except in the parish of Orleans, to bring the indictment for libel, and they therefore dismissed it.

The same volume, at page 979, showing that the same thing was done as to Mr. Leppert, and the supreme court also discharged Mr. Leppert.

Mr. Pierson, is it not a fact that Mr. Henry P. Dart, your attorney of record in the matter, made an endeavor to have Mr. Moore indicted in the parish of Orleans, and Mr. Chandler C. Lusenburg, the district attorney at that time, went over the matter with Mr. Dart, and refused to permit him to be indicted, or to file an information?

Dr. PIERSON. I do not know what Mr. Dart did in the case. Mr. Dart is one of the most eminent attorneys in the South, had vast

experience, and he had been representing—he was the attorney also for the Daily States at that time, of New Orleans, at the same time, of which Col. Robert Ewing was controlling manager, or an owner, and he did a great many things in the case, that I knew nothing of whatsoever.

Mr. RIGHTOR. Now, doctor——

Dr. PIERSON. Excuse. Let me finish. Had I considered at all the question of inviting him in the city of New Orleans, I certainly would have gone to see Chandler Lusenburg, who was a chum of mine, a college mate of mine, a roommate of mine, and would have talked to him, but I never discussed the matter with him the whole time the case was in progress.

Mr. RIGHTOR. Whether Mr. Dart, after your counsel had dictated into this record a statement that the plaintiff admitted that all the facts recited were true, went to the district attorney in New Orleans, and asked for an indictment against Mr. Moore, and Mr. Lusenburg declined to do so, on account of what your counsel had admitted in case; you do not know?

Dr. PIERSON. No, sir; I am most positive that Mr. Dart has never told me that he ever discussed the matter with the idea of bringing any indictment in New Orleans against Mr. Moore.

Mr. RIGHTOR. Well, now, when Mr. Dart dictated into this record the fact that all the facts in the publication were true, did he do that with your knowledge and consent?

Dr. PIERSON. I cannot believe it is possible for Mr. Dart ever to have done such a thing, all the records being the facts, because they were not facts.

Mr. RIGHTOR. Then you are in direct dispute with the decision of the Supreme Court?

Senator LONG. Oh, no.

Mr. RIGHTOR. How do you reconcile——

Dr. PIERSON. I can reconcile myself with the facts, clearly. I am just as vivid in the matter as anybody can be. My mind is clear, yet, that I did not, and we have never—the point involved in the whole case was that, as the supreme court says, there are parts of truths, not truths but parts of truths, as in the instance of bearing a man in the same cart, and hauling vegetables, and different things in the same cart. That had been existent. That was a part of the truth, and a number of other instances of that kind.

Mr. RIGHTOR. Now, Dr. Pierson, you say that Mr. Leppert pleaded guilty and went to jail. Now, that decision of the supreme court says that Mr. Leppert was discharged.

Dr. PIERSON. Oh, it was a different case entirely. That was in East Feliciana. He was indicted in East Feliciana, and he pleaded guilty, and by common consent Mr. Leppert accepted his verdict, paid his fine. I have forgotten what it was, and the fine, I think, carried a jail sentence.

Mr. RIGHTOR. You do not mean to say he went to jail, do you?

Dr. PIERSON. If it was an hour, or a nominal amount. He did not stay in jail, and I will tell you why.

Mr. RIGHTOR. Now, don't you know——

Senator LONG. Wait a minute. Wait a minute.

Dr. PIERSON. Let me finish, because our civil case was up, the next morning, and we did not want to delay our civil case in New Orleans, which meant more to us than the indictment of Mr. Leppert.

Mr. RIGHTOR. Don't you know this was the fact, that you had a gang outside the courthouse, the judge was worried, Leppert pleaded guilty and paid his fine in order that he not be rough-housed by a lot of people from East Feliciana?

Dr. PIERSON. There is not one word of truth in that, Mr. Rightor.

Mr. RIGHTOR. Well, I will tell you that was told me by your attorney, Mr. H. P. Dart.

Dr. PIERSON. Well, there is not one word of truth in it, to the contrary.

The CHAIRMAN. Well, let us get along.

Dr. PIERSON. To the contrary—

Senator LONG. Let him go ahead. It will take less time, Mr. Chairman, to let him go ahead.

Dr. PIERSON. Could I say, for the record, I purposely had my employees, for 3 solid months, or 2½ months before that, and told them I did not want a soul to disturb a thing of Mr. Leppert's, and give him that much disturbance or trouble. In fact, they came to me and wanted me to be bothered with Mr. Leppert, because he was making charges against the institution, against everybody connected with it, including my own wife, and I used my influence to carry out the law. I was reared in a judicial atmosphere. My father was on the bench for years. I did not know anything but law and order.

The CHAIRMAN. All right, Dr. Pierson, you have answered that.

Mr. RIGHTOR. Now, I will tell you what I can do, to make it brief. I will gladly get for you a letter from Mr. Dart, as to these matters, and place it in the record.

Dr. PIERSON. Well, Mr. Dart is just mistaken. A lawyer can be mistaken, because he is absolutely mistaken.

Mr. RIGHTOR. That is all.

Senator LONG. Dr. Pierson, I believe you note, through the Supreme Court decision—I suppose you have read it—where they said this was just a garbled mixture of half truths, malice, and falsehood?

Dr. PIERSON. That is apparent, throughout the case.

Senator BARKLEY. Dr. Pierson, a moment ago, said this man did not serve a jail sentence, down there, because the civil case was to come up the next day, and you said that was more important to you than having him punished. Do you mean to leave the impression that it was more important for you to get damages against a newspaper, than it was to have the man punished. He had written these articles?

Dr. PIERSON. No, Senator; we had been fighting the case for weeks and weeks, and every technicality had been brought about, to delay the case, in New Orleans. By common consent, my attorneys, the prosecuting district attorney, and Mr. Leppert's attorney, we agreed—it was agreed, rather, among them—I knew nothing of it at the time—that Mr. Leppert would be fined nominally, and that the case would not—that there was a nominal amount of jail, or whatever it was I forget now what the jail sentence was. The record speaks for itself, but the case was up, and it did not make a particle of difference whether Mr. Leppert was put in jail, because Mr. Leppert's testimony was necessary in the civil case. That is why. We wanted Mr. Leppert there, and we did not make any effort to keep him in jail indefinitely.

Senator LONG. Doctor, you brought out one thing I forgot to ask you. I was just going to leave that to the committee to find it, from my conclusion, but this man threatened to bring your wife and your wife's people and their children into this, unless you got out of there, didn't he, on the publicity?

Mr. RIGHTOR. What man?

Senator LONG. Mr. D. D. Moore.

Mr. RIGHTOR. Daniel Decatur.

Senator LONG. Particularly with the case, I believe, of the little girl. What was her name? They were going to allege that she had had an operation performed, skin graft. Do you remember that, Doctor?

Dr. PIERSON. Yes, sir. I am very, very, very clear on it.

Senator LONG. And when you did not resign, they published a long diatribe on that, did they not?

Dr. PIERSON. Yes, sir.

Senator LONG. Bringing your wife and your wife's brother and brother's children and the whole family into a charge that would have done credit to the barbarous practices, if true, of any barbarian that ever lived, wouldn't it?

Dr. PIERSON. Yes, sir. That case was stressed very strongly. It was a skin-graft case.

Senator LONG. Did you try, on account of your family—had you made extra effort, in showing Leppert and these other two people he had sent there, and Dr. Herring, and inviting Moore, to keep your family from being subjected to that kind of scurrility?

Dr. PIERSON. Well, my whole case was to protect the honor of myself, my wife, and children, and my family, and the name of my wife's family. My object was, in the whole civil case, to get a judgment. I did not care whether it was 5 cents. I wanted to exonerate myself and my—

Senator LONG. I mean, you were trying to keep it from being published?

Dr. PIERSON. Why, certainly. I wanted no publication.

Senator LONG. But, in the teeth of the discussion in the Governor's office, with the board, with Dr. Herring, and with his two other witnesses, who, as written in this opinion, reported to him that those things were false, he gave your family members that publicity, anyway?

Dr. PIERSON. Oh, yes, sir.

Senator LONG. And Mr. Moore had got the entire matter laid before him, and waited 2½ months?

The CHAIRMAN. Well, now, Senator, ask the questions of the witness.

Senator LONG. Well, that will be shown in my extract.

The CHAIRMAN. Yes.

Senator LONG. I have no further questions for this witness.

The CHAIRMAN. All right. That is all, Dr. Pierson.

Senator LONG. Only one further question: Were you elected president of this medical society, following this?

Dr. PIERSON. Yes, sir; during the trial of the case.

The CHAIRMAN. Well, you were elected?

Dr. PIERSON. I was elected president of the State Medical Society, and I was elected a member of the Council of the American Psy-

chiatric Society, which is the society for all superintendents on nervous and mental diseases of the United States. I was elected councillor of that, in New Orleans, just while this case was going on.

The CHAIRMAN. All right. Thank you very much, Doctor.

Senator LONG. One question further: After you resigned from the position in Jackson, you took a position as head of the State Clinic for the Feeble-minded, at Pineville?

Dr. PIERSON. Yes, sir. I had worked for years to separate the insane from the others.

The CHAIRMAN. That is all, Doctor.

Dr. PIERSON. I was afterwards offered—let me finish my answer. He started it.

Senator COUZENS. You have answered the question, and we do not need an explanation. We cannot sit here all day.

Senator LONG. "Yes" is enough.

Dr. PIERSON. I was offered a position by the board of this new institution, created for the feeble-minded, in Alexandria.

The CHAIRMAN. Thank you very much, Doctor.

Now, there is a request, I understand, from Mr. Rightor, that there are certain character witnesses here, and you have been keeping them here. I am sorry that the work, over on the floor of the Senate, does not permit us to work in the afternoon here, so that we might let these gentlemen get back to their places of business.

Senator LONG. Mr. Chairman, before you do that—

The CHAIRMAN. Wait until I finish this suggestion, please.

Senator LONG. All right.

The CHAIRMAN. And I understand that there have been witnesses here that are merely to testify as to character.

Mr. RIGHTOR. Yes, sir.

The CHAIRMAN. And is there some agreement on that?

Mr. RIGHTOR. I suggested this to Senator Long. There are some of these witnesses that are purely character witnesses, that I put them on the stand and get rid of them, and, where a witness is to be a witness, both on character and on fact, I will limit myself purely to character, and subsequently put him back, on fact, according as it suits the pleasure of Senator Long.

Senator LONG. I think I am going to be able to do that, but I have held over 4 or 5 witnesses. I have just about a question, possibly two, and I think I can get rid of them all in about 5 minutes.

Mr. RIGHTOR. These gentlemen want to catch a train and get back to New Orleans.

Senator LONG. These people do, too.

Mr. RIGHTOR. They are bank presidents and insurance men.

Senator LONG. These people want to get back.

The CHAIRMAN. I think it is fair to these business men who have come up here—

Senator LONG. Mr. Chairman, I will not take but—

The CHAIRMAN. This is the third day, on the other, so, if you want to take out time on this, you may do so.

Senator LONG. Mr. Chairman, will you give me about 5 minutes, to bring just two of them? I have only a question apiece.

The CHAIRMAN. All right, if we can get through with two of them in 5 minutes, we will trade.

Senator LONG. I will get through very quickly.

The CHAIRMAN. Senator Long, there was Mr. Joe Williams, who was subpoenaed here.

Senator LONG. Yes, sir, and I am going to call him. I had him and another man.

The CHAIRMAN. Well, let us get rid of these two.

TESTIMONY OF MAURICE B. GATLIN, NEW ORLEANS, LA.—
Recalled

(The witness was previously duly sworn.)

Senator LONG. Mr. Gatlin, you have accounted for certain people in Colonel Sullivan's office, being otherwise employed now. I will ask you who else was employed in that office. You told about Mr. Sessler. Now, was there anyone else in that office?

Mr. GATLIN. Well, there was an attorney named Chester Ford.

Senator LONG. And was there a colored boy named Mack?

Mr. GATLIN. Yes. There was a colored boy named Mack in there.

Senator LONG. Now, where is Chester Ford now?

Mr. GATLIN. Chester Ford is the chief of the abstract division of the Home Owners' Loan Corporation in Orleans Parish.

Senator LONG. You visited him in his office?

Mr. GATLIN. I have been in his office, yes, in connection with a home loan.

Mr. RIGHTOR. That is admitted, Senator.

Senator LONG. All right. So, he went out of Colonel Sullivan's office to the Home Loan, and that left nobody but the colored boy, Mack, in the office?

Mr. GATLIN. As far as I know.

Senator LONG. I show you a telegram—

Senator BARKLEY. He was not a member of the firm? [Laughter.]

Mr. GATLIN. I was never able to determine, from the privileges he enjoyed, whether he was an assistant or a partner.

Senator LONG. I want to read you a telegram, sent last Sunday night—copy of a telegram:

Col. J. P. SULLIVAN,
Washington, D.C.

Party left tonight 9:45 p.m. car L-17 name B-7 Beauregard. Train well guarded.

"MACK."

Would that be the party you are talking about?

Mr. GATLIN. I suppose that is the Negro, Mack. I do not know. His name is Mack.

Mr. RIGHTOR. I will tell you, Senator. I know, positively, not.

The CHAIRMAN. I do not think, unless you can identify that—

Senator LONG. This telegram is all right, though, is it?

Mr. RIGHTOR. Oh, you can put it in, but it is not true.

Mr. SULLIVAN. It is not true.

Senator LONG. All right, put it in there.

Mr. RIGHTOR. There is so much in there that is not true, I do not object to a little more.

Senator LONG. All right, put it in.

The CHAIRMAN. Is there anything else?

Senator LONG. Just a moment. Do you remember the car that you and I and two other gentlemen rode in, coming here?

Mr. GATLIN. Yes, sir. It was car L-17.

Senator LONG. On Sunday night?

Mr. GATLIN. Sunday night; yes, sir.

Senator LONG. Can you imagine why they were wiring the colonel that it was well guarded, as we left?

The CHAIRMAN. Well, that is merely a matter of opinion.

Mr. RIGHTOR. That is all.

Mr. CATLIN. Is that all?

Mr. RIGHTOR. Good-bye.

Senator LONG. That is all.

Mr. Rightor showed me yesterday a little synopsis of the career of Miss Roddy, and she came to me last night, and I undertook to explain to her what was in it, and she asked the privilege of coming back here this morning and seeing it, and testifying, and explaining about it.

Mr. RIGHTOR. I will take it up with Mr. Moore.

The CHAIRMAN. I think Miss Roddy has had a chance to testify, and some other people must now have a chance.

Senator LONG. It was something that was handed to me, about her civil-service status. She tells me she passed the civil-service examination. She did not want something to go in here that she could not explain.

The CHAIRMAN. Well, if she passed the civil service—is that true, that she passed the civil service?

Mr. RIGHTOR. I do not know.

Mr. MOORE. The record is here.

Mr. RIGHTOR. Did she pass?

Mr. MOORE. She was not a civil-service employee.

Senator LONG. She says she drew more money than the civil service. She fills a job, now, that was filled by two people, and that she was out of the status of the civil service.

Mr. RIGHTOR. Mr. Moore——

Senator LONG. Let her testify. It will only take a minute.

The CHAIRMAN. Put your witness on, Mr. Rightor.

Senator LONG. Are you going to let me have Mr. Joe Williams?

The CHAIRMAN. If we are going to get into a controversy over somebody that has been on the stand, here, I will permit Mr. Rightor to proceed.

Senator LONG. Mr. Chairman, I am not through with my testimony, but if you order me to suspend, I have a number of witnesses. I have a number of witnesses.

The CHAIRMAN. You will be permitted to call Williams, before we get through, if you want to call him.

Senator LONG. I had Mr. Williams and another newspaperman, who will take only a minute. What was the other man's name?

The CHAIRMAN. Let Mr. Williams come up.

Senator LONG. Come up, Mr. Williams, also the other gentleman. I had the name. Come up with Mr. Williams. I can get rid of both of them.

STATEMENT OF JOE WILLIAMS

(The witness was duly sworn by the chairman.)

Senator LONG. Mr. Williams, what is your occupation?

Mr. WILLIAMS. I am the sports editor of the World-Telegram, New York.

Senator LONG. How long have you been in that business?

Mr. WILLIAMS. About 15 years.

Senator LONG. Mr. Williams, it was testified here yesterday that there was a concern that operates on the race tracks, known as the General News Service, that flashes news of horse races.

Mr. WILLIAMS. Yes; there is such an organization.

Senator LONG. Does your newspaper get that service from that concern?

Mr. WILLIAMS. No. My understanding is that the General News Service is not a news service, in the strict sense. We depend on our news—we depend on the wire services, such as the United Press and the Associated Press.

Senator LONG. The General News Service, your impression is, is something that serves clients at the pool rooms, barber shops—

Senator BARKLEY. Now, let him state.

Mr. WILLIAMS. Well, I think it is generally known that the General News Bureau is a bureau dedicated and devoted largely to the gathering and disseminating of racing information. It is available to anyone who wishes to subscribe to that service.

Senator COUZENS. Do you know the class of subscribers?

Mr. WILLIAMS. I did not hear you, Senator.

Senator COUZENS. Do you know the general class of subscribers to this service?

Mr. WILLIAMS. No. I would not be personally familiar with it.

Senator LONG. I have that. I have a witness for that, now.

The CHAIRMAN. All right. Is that all?

Senator LONG. That is all.

Senator BARKLEY. Let me ask—

The CHAIRMAN. Yes. Mr. Williams, one minute. Senator Barkley wants to ask you a question.

Senator BARKLEY. Your paper could obtain that service through this General News, if it desired?

Mr. WILLIAMS. Well, it would be rather useless, when we have two wire services that already cover it.

Senator BARKLEY. You have the Associated Press?

Mr. WILLIAMS. And the United Press.

Senator BARKLEY. And the United Press Service, and therefore it is not necessary to employ a third service for that purpose?

Mr. WILLIAMS. No. That is true.

Senator LONG. Now, will you let me have this other witness?

TESTIMONY OF HARRY COSTELLO, WASHINGTON, D. C.

(The witness was duly sworn by the chairman.)

Senator LONG. What is your name?

Mr. COSTELLO. Harry Costello.

Senator LONG. Now, Mr. Costello, I have a memo here that for a number of years you wrote for the Detroit News, pertaining to the

operation of handbooks and race tracks, and were somewhat of an authority on that line. Is that correct?

Mr. COSTELLO. I wrote the stories. I do not know whether you would consider me an authority or not.

Senator LONG. I will ask you if you understand how the news services are furnished—this General News Service that you heard me ask Mr. Williams about—into these race tracks, into the bookmakers, and things of that kind?

Mr. COSTELLO. Well, the General News Bureau gathers information, what occurs, as the incident takes place, at the race track. They gather it and put it on the wire, and that wire goes into the offices of clients, and then it is redistributed by telephone, as a rule.

Senator LONG. To where, as a rule?

Mr. COSTELLO. To whom?

Senator LONG. To whom, as a rule.

Mr. COSTELLO. Well, to various people that have an interest in such things.

Senator LONG. Who is that?

Mr. COSTELLO. Well, bookmakers and people who have an interest in racing.

Senator LONG. All right. Now, how do they use it, when they get it, in these bookmakers and handbooks and pool halls and things? How would they use it?

Mr. COSTELLO. Well, they board it just the same as you would a stock report, similar to the boarding of a stock report. They tell the position of the horses, and when the race starts, and the alignment of horses when they pass the fractional posts, and then they tell, at the finish, which horse won—second and third, and the prices paid.

Senator LONG. And prices paid—the “take”?

Mr. COSTELLO. Things of that nature.

Senator LONG. The “take”, or whatever you call that. There is some word. I mean, the “odds”?

Mr. COSTELLO. Odds.

Senator LONG. The “pay-off”, I mean.

Mr. COSTELLO. In mutuels.

Senator LONG. They flash the pay-off on the mutuels?

Mr. COSTELLO. Yes.

Senator LONG. So that a man sitting in, if you will pardon me—it may be a little leading; I am just trying to hurry it—so they can sit in the pool hall, the handbook, or the gambling joint, and they flash the word on who wins “10 to 7”, “10 to 1”, “3 to 2”, whatever it is, and there you have got it, and the whole thing is flashed, is it?

Mr. COSTELLO. Yes, sir.

Senator LONG. Now, that General News business is a kind of a high-faluting sounding name, for that kind of a business, isn't it?

Mr. COSTELLO. I do not know.

Senator LONG. Well, it ought to be called a “General Gambling News”, or something like that?

The CHAIRMAN. Well, is there any other question to ask?

Senator LONG. All right.

Senator BARKLEY. I would like to ask this question: I suppose the same sort of information might be telephoned by people who

received it over the Associated Press or United Press, or any other service?

Mr. COSTELLO. Oh, yes. It is done.

Senator BARKLEY. It is done?

Mr. COSTELLO. Yes; the same sort of news comes on the transmission machines. For instance, you could sit in our office, down here, today, and they will say "They are off", and then the machine would click a bit, until the race had finished, and then it would give 1, 2, 3.

Senator BARKLEY. It would give the odds on the horses, and the position of the horses in the race?

Mr. COSTELLO. Yes, sir.

Senator BARKLEY. That comes over all news services?

Mr. COSTELLO. Well, I do not know as it comes over all news services. I am not familiar.

Senator BARKLEY. You get yours over the Associated Press and the United Press?

Mr. COSTELLO. International News, and Universal.

Senator BARKLEY. Yes; it is the same sort of information, though, that is sent out by the other companies?

Mr. COSTELLO. Yes.

Senator HASTINGS. Mr. Costello, there are several news sheets, devoted entirely to racing, aren't there?

Mr. COSTELLO. Oh, yes; many of them.

Senator HASTINGS. Now, do those particular news sheets get their information as you get yours, or do they get it from these special services?

Mr. COSTELLO. They gather their news very similarly. Those highly specialized racing papers, would, I imagine, indeed, I know that they do take that service.

Senator HASTINGS. They take the service which has been under discussion here?

Mr. COSTELLO. Yes, sir.

The CHAIRMAN. That is, the General News Service?

Mr. COSTELLO. Well, I don't specifically know, the General News.

Senator LONG. You spoke about the Associated Press. Do you know of any Associated Press, United Press, International Press, that puts into gambling houses this service that is prohibited by law?

Mr. COSTELLO. No, sir; I do not.

Senator LONG. You know that these handbooks, though, do operate and get this service?

Mr. COSTELLO. Well, I know that people interested in racing get this service, and I assume that a handbook operator is interested.

Senator LONG. Yes, sir; all right. That is all.

The CHAIRMAN. All right.

Senator LONG. I want to offer the certificate, Mr. Chairman, that you told me I might offer, yesterday. The certificate shows this, from the Secretary of State, sent by wire:

Records my office indicate Navillus Realty, Inc., New Orleans, La., October 24, 1917, capital stock, \$70,000. With John P. Sullivan, first president subscribing \$20,000 and owning 200 shares; George H. Sullivan, first vice president owning 200 shares; Frank B. Sullivan, first secretary-treasurer owning 200 shares; shares \$100 each. The objects and purposes of this corporation are declared to be to engage in the business of owning, buying, selling, leasing, mortgaging, hypothecating, and appraising real estate and personal property of every nature

description and kind, erecting buildings upon property owned or leased by this corporation or upon the property of others and generally to do all acts and enter into all contracts that may be necessary, convenient, or appropriate in the accomplishment of aforesaid purposes. No changes or amendments indicated since incorporation.

E. A. CONWAY, *Secretary of State.*

Senator HASTINGS. What is the date of the incorporation?

Senator LONG. October 24, 1917.

The CHAIRMAN. All right; that will be put into the record.

Senator LONG. I have another telegram, which I will offer, among other things.

Senator HASTINGS. Well, we can offer these, after these men have gone home.

Senator LONG. There is no need of my trying to rush through it. I have so many other witnesses.

TESTIMONY OF JOHN X. WEGMANN, NEW ORLEANS, LA.

(Witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Wegmann, you reside in the city of New Orleans?

Mr. WEGMANN. Yes, sir.

Mr. RIGHTOR. And you are the president of the Lafayette Insurance Co. of New Orleans?

Mr. WEGMANN. Lafayette Fire Insurance Co.; yes, sir.

Mr. RIGHTOR. You are also president of the New Orleans Association of Commerce?

Mr. WEGMANN. Yes, sir.

Mr. RIGHTOR. And you have held a number of civic and honorary positions in New Orleans?

Mr. WEGMANN. Yes, sir.

Mr. RIGHTOR. Mr. Wegmann, are you acquainted with Mr. D. D. Moore and Mr. John P. Sullivan?

Mr. WEGMANN. Yes, sir.

Mr. RIGHTOR. How long have you been acquainted with these gentlemen?

Mr. WEGMANN. I have known Mr. Moore by reputation, I would say, approximately 25 years, and intimately, the last 8 or 10 years.

Mr. RIGHTOR. How long have you known Colonel Sullivan?

Mr. WEGMANN. I have known Colonel Sullivan at least 30 years, sir.

Mr. RIGHTOR. What is your opinion of their general reputation in the community in which you live and in which they live?

Senator COUZENS. Separate them, please—one at a time.

Mr. RIGHTOR. What is your opinion concerning Mr. D. D. Moore?

Mr. WEGMANN. Excellent; in my opinion. I have never, in all of my experience, in either business, religious, or civic circles heard one iota of detrimental information concerning Mr. Moore.

Mr. RIGHTOR. What is your understanding of the general opinion of Col. John P. Sullivan?

Senator HASTINGS. Mr. Chairman, I was wondering whether we want to go any further than the candidate himself.

Senator LONG. I think so. I make no objection.

The CHAIRMAN. I do not know how the committee would feel, but it seems that they have connected up Mr. Sullivan with Mr. Moore's appointment, here.

Senator HASTINGS. All right, all right. I had not followed it all.

Mr. WEGMANN. I have known Colonel Sullivan intimately since 1905, and prior to that, by reputation. I have a high regard for Colonel Sullivan as a citizen, as a public official, as a man who is interested in civic affairs, and who takes a deep, intense interest in the affairs concerning our city. I know of nothing in any manner, shape, or form detrimental or derogatory to the reputation of Colonel John P. Sullivan.

Senator COUZENS. You spoke about his public office?

Mr. WEGMANN. Well, I mean, he has never held public office, to my recollection. I mean he is interested in public affairs.

Mr. RIGHTOR. That is all. Now, Senator—

Senator LONG. Just a moment. I have some questions. Mr. Wegmann, you never did read in the newspapers, the Times-Picayune and the Item, that Mr. Sullivan was the lower depths, affiliated with the gambling tribes of that city?

Mr. WEGMANN. I have no recollection of having read that. If I did, I would not believe it.

Senator LONG. You have no recollection of constant and repeated articles having been written in those papers, editorials, news comments, to the effect that Colonel Sullivan was of the lower depths and undesirable, for public and civic duty, because of his affiliations with interests that were of the lower strata? You have no information as to that?

Mr. WEGMANN. I have no direct information, Senator. I have read those things, and have never believed them, and do not believe them now.

Senator LONG. I say, but you have read them?

Mr. WEGMANN. I have, but do not believe it.

Senator LONG. You have read them, over a period of a considerable length of time?

Mr. WEGMANN. I do not know about "a considerable length of time." During the heat of political campaigns, many things were said, which I do not believe.

Senator LONG. Now, as to Mr. Moore, in order to refresh your memory, to show that you have maybe heard something about him, you heard that he had been condemned in one libel suit, did you not?

Mr. WEGMANN. You say I have heard?

Senator LONG. Yes; you have heard of the fact?

Mr. WEGMANN. I have heard it said, here today, and I think I have read it.

Senator LONG. Well, you heard that he had been indicted for libel?

Mr. WEGMANN. I have heard that.

Senator LONG. Yes, sir.

Mr. WEGMANN. I have heard a number of things about you, my dear Senator, that— [Laughter.]

Senator LONG. Well, they try me every half hour. I am on the utility list, now.

Mr. RIGHTOR. He was about to say that he does not believe, Senator, so you should let him finish. You would have a character witness.

Senator LONG. Well, I am afraid he would say something good or bad, he might have heard.

Mr. WEGMANN. No telling, Huey, I may or may not.

Senator LONG. That is all. You are president—

Mr. WEGMANN. Of the New Orleans Association of Commerce.

Senator LONG. Do you have anything to do with any building and loans?

Mr. WEGMANN. I am director in the Columbia Building & Loan Association.

Senator LONG. What is that stock selling for now?

Mr. WEGMANN. The last quotation was 42. It has held as high as 52.

Senator LONG. In recent days?

Mr. WEGMANN. When I left home.

Senator LONG. It used to sell for a hundred?

Mr. WEGMANN. Subscribed to, at 100.

Senator LONG. Yes.

Mr. WEGMANN. And withdrawable at 100, during the prosperous times.

Senator LONG. You are patronized, I hope, by the Home Loan Association down there?

Mr. WEGMANN. Trying to get every loan there we possibly can, Senator. It has been a great assistance to the building and loan associations of New Orleans and Louisiana.

Senator LONG. You say Mr. Sullivan has been of great assistance?

Mr. WEGMANN. The great assistance—it has been the Home Owners Loan Association, has been a great assistance to our building and loan associations.

Senator LONG. Yes, sir; and you naturally would like to retain a friendly contact with those?

Mr. WEGMANN. In what respect, Senator?

Senator LONG. Well, you want to continue to serve the community, the municipality, we will say, in getting these loans through, from this time on?

Mr. WEGMANN. But you say I would. I am a director only, Senator.

Senator LONG. That is all.

Senator HASTINGS. What effect, in your judgment, did these articles have upon the reputation of these men you have spoken of?

Mr. WEGMANN. In what respect?

Senator HASTINGS. You say you know his general reputation in the community in which he lives, and that it is good, and your attention has been called to some derogatory articles that were printed, with respect to Mr. Sullivan in particular. I would like to know, in your judgment, what effect they had upon his general reputation in the community.

Mr. WEGMANN. You mean as a whole?

Senator HASTINGS. His general reputation. You know what that is.

Mr. WEGMANN. With the public at large? What I think?

Senator HASTINGS. No; not what you think. What does the public think about it? That is, his general reputation.

Mr. WEGMANN. Well, you will find a divided opinion there I think, Senator.

Senator HASTINGS. So there are some people that think he is not a good citizen; is that correct?

Mr. WEGMANN. Depending on their political affiliation, naturally.

Senator HASTINGS. Is it all political?

Mr. WEGMANN. I have never heard of anyone, outside of a politician, say a word detrimental to or derogatory of the character of Col. John P. Sullivan, and I have known him intimately for 30 years.

Senator HASTINGS. Well, is all that you hear about his character, that is derogatory at all, based upon politics?

Mr. WEGMANN. I would imagine so. That is my opinion.

Senator HASTINGS. Well, that is not exactly the point. I mean, what do people say generally? Do you ever hear anybody say that they do not believe General Sullivan?

Mr. WEGMANN. No; I have never heard that.

Senator HASTINGS. Ever hear anybody say they thought he was dishonest?

Mr. WEGMANN. No, sir; I haven't.

Senator HASTINGS. Ever hear anybody say they thought Mr. Moore was dishonest?

Mr. WEGMANN. I haven't, sir, and I meet many people in the course of a day's work.

Senator HASTINGS. All right.

The CHAIRMAN. That is all.

Mr. RIGHTOR. Now, Senator Long, I have here Mr. Charles DeB. Claiborne, the vice president of the Whitney National Bank. Will you admit that Mr. Claiborne, if sworn, would give testimony such as Mr. Wegmann has given?

Senator LONG. Yes.

Mr. RIGHTOR. Mr. Charles DeB. Claiborne if sworn would say that he resides in the city of New Orleans, that he is a vice president of the Whitney National Bank, and his testimony would be similar to that of John X. Wegmann.

Senator LONG. Yes.

Mr. RIGHTOR. Would you make the same admission as to Mr. Eldon S. Lazarus?

Senator LONG. Yes.

Mr. RIGHTOR. If Eldon S. Lazarus were sworn—

The CHAIRMAN. State what his business is.

Senator LONG. He is a lawyer.

Mr. RIGHTOR. He is a lawyer in New Orleans, and chairman of the members council of the Association of Commerce, and director of the Association of Commerce, and a member of the board of directors of the Turo Infirmary, which is a large Jewish hospital there.

And will you make the same admission as to Mr. Wilson Williams?

Senator LONG. Yes; I will make the same admission as to him.

Mr. RIGHTOR. Will you make the same admission as to W. D. Robinson, a newspaper man?

Senator LONG. Well, I guess so.

Senator HASTINGS. It would be helpful if you would tell the committee who these people are.

Mr. RIGHTOR. Mr. Wilson Williams is the general agent of the New England Mutual Life Insurance Co. He is a former director of the public library and former director of the Louisiana Jockey Club.

Mr. W. D. Robinson is a citizen of Mississippi, a newspaper and magazine writer of long experience and standing, and he handled the publicity for Governor Long's campaign for governor.

Senator LONG. He handled the newspaper publicity that went out.

Mr. RIGHTOR. Mr. J. Walker Ross. It is admitted that Mr. J. Walker Ross if sworn would testify that he is the editor of the Daily States of New Orleans, and that he has been in the newspaper business there for over 30 years. Will you make the same admission as to Mr. Walter D. Denegre?

Senator LONG. Which one is he? A lawyer? The one that lives in Washington, D.C.?

Mr. RIGHTOR. Yes.

Senator LONG. Yes.

Mr. RIGHTOR. If Walter D. Denegre were sworn, it would be shown that he was formerly a well-known and successful lawyer in New Orleans and took a prominent part in its civic and political life. For some 25 years he has resided in the city of Washington.

Will you make the same admission for Mr. Paul Wooton?

Senator LONG. He lives in the city of Washington also?

Mr. RIGHTOR. Yes.

Senator LONG. Yes.

Mr. RIGHTOR. If Mr. Paul Wooton were sworn he would say that he was the representative of the New Orleans Times-Picayune here in Washington, and for several years was employed in Washington by the Times-Picayune. Will you make the same admission for Mr. R. R. Kent, who is the Washington correspondent for a number of Southern newspapers?

Senator LONG. I guess so.

Mr. RIGHTOR. Mr. R. R. Kent, Washington correspondent for a number of Southern newspapers, was formerly employed on the Times-Picayune.

Senator LONG. Of course these men live in Washington and they do not live in New Orleans, I understand?

Mr. RIGHTOR. Yes.

Would you make the same admission for Mr. Bascom Timmons? He is the Washington correspondent for the States?

Senator LONG. Well, I will make the admission for these fellows living up here.

Mr. RIGHTOR. Mr. Bascom Timmons if sworn would say that he has been a newspaper correspondent here for some 23 years, and his testimony would be that he has been in touch with Mr. Moore as far as possible, and his testimony would be the same as to character and reputation.

Now, Mr. Frank B. Noyes. He is the president of the Associated Press.

Senator LONG. What is he going to testify to?

Mr. RIGHTOR. He is going to testify that he is the editor of the Washington Star, and I think he has been the president of the Associated Press from the beginning, that he has known Mr. Moore for a number of years. That Mr. Moore has been an official of the Associated Press, and he has confidence in him and considers him a man of honesty and good character.

Senator LONG. Well, Mr. Moore has not been in the business for a number of years, and Mr. Noyes has been up here for a number of years, and he could not know much about Mr. Moore down yonder.

Mr. RIGHTOR. Mr. George E. Williams, the criminal sheriff of New Orleans, is here.

Senator LONG. It looks to me like you are getting a little bit hard pressed for character witnesses.

The CHAIRMAN. Let Mr. Williams come up.

Senator HASTINGS. If he is here, let him be sworn.

Mr. RIGHTOR. Mr. Williams is the criminal sheriff of New Orleans for the last 15 years, and will testify similar to Mr. John X. Wegmann.

Now, I contemplate putting Mr. John D. Ewing on the stand as a witness of fact. But purely as a character witness, would you make the same admission as to him?

Senator LONG. I do not see any use, if you are going to use him anyway. We might just examine him on it all at once. It does not make any difference.

Mr. RIGHTOR. Now, will you call Gov. John M. Parker?

Senator LONG. As a character witness?

Mr. RIGHTOR. Yes.

TESTIMONY OF JOHN M. PARKER, NEW ORLEANS, LA.

After being duly sworn, he testified as follows:

Mr. RIGHTOR. Governor, with the limitations of becoming modesty, will you tell us who you are?

Governor PARKER. I was born in Mississippi, and lived most of my life in Louisiana. I am in my seventy-second year. I have been very active in business for 55 years, president of the New Orleans Cotton Exchange, and served there for a number of years, also the board of trade, and have been active in public life. I was never a candidate for office but once when I was elected Governor. I was nominated for the vice presidency with Theodore Roosevelt on the Progressive ticket.

Mr. RIGHTOR. A little louder, Judge.

Governor PARKER. I was nominated for vice president on the Progressive ticket with Theodore Roosevelt. I have been pretty active in public affairs in various capacities. I was the State Federal food administrator during the War. I have a family of 19, counting the children and grandchildren—[laughter].

Mr. RIGHTOR. And you are also a good fisherman.

Governor PARKER. I used to be. [Laughter.]

Mr. RIGHTOR. Mr. Parker, how long have you known Mr. D. D. Moore?

Governor PARKER. I have known him about 30 years.

Mr. RIGHTOR. Have you known him well?

Governor PARKER. Very well. He left for a while during that period to go to Texas. I knew him well in New Orleans.

Mr. RIGHTOR. What is your estimate of his reputation and character?

Governor PARKER. I have never heard it questioned until recently.

Mr. RIGHTOR. What do you mean by "recently"?

Governor PARKER. I found that they were bringing up some question of his unionism some twenty-odd years ago. Mr. Moore at

that time was a hired man and had to carry out the orders of the owner of the paper.

Mr. RIGHTOR. Are you acquainted with Col. John P. Sullivan?

Governor PARKER. Yes.

Mr. RIGHTOR. What is your estimate of his character and reputation?

Governor PARKER. Unquestioned. I have never known him to lie; I have never known him in my life to gamble, and I have known the man from the time he left West Point. Three of my boys and I and a lot of others started the football games there in New Orleans. I was thrown with him very, very often and never heard his integrity questioned anywhere in any way by anybody.

Mr. RIGHTOR. Has he borne close political relations to you?

Governor PARKER. Off and on. I fought him very hard. I fought him very hard in the contest with Senator Long, Colonel Ewing, and Mr. Peterman when they were strong for Colonel Long—

The CHAIRMAN. Colonel Long? I did not know that he had gotten to be a colonel.

Senator LONG. I have no title of colonel.

Governor PARKER. I thought he might have been decorated by the American Legion or somebody else.

Mr. RIGHTOR. Governor, it is running through this record that Colonel Sullivan names Federal appointees in Louisiana. Is anybody else consulted on that matter besides Colonel Sullivan, to your knowledge?

Governor PARKER. Yes.

Mr. RIGHTOR. Will you name him.

Governor PARKER. You and myself. And I have never recommended a man on personal grounds whatsoever. I have gone to the limit to try to get men who would stand up well and be a credit to the State and to the Nation.

Mr. RIGHTOR. Do you join in the recommendation of Mr. D. D. Moore?

Governor PARKER. I did, on my knowledge of the man and on his record.

Mr. RIGHTOR. And the other appointments which the President has made in Louisiana—

Governor PARKER. He has made few of them, I think. I most heartily concurred in the appointment of Rene Viasco, whom I slightly know, except that I have knowledge of his ability and the way in which he is regarded by the officials of Tulane and the other communities there.

Senator BARKLEY. Who was that?

Governor PARKER. The United States District Attorney. To the best of my knowledge he did not know that his name was even considered for it.

Mr. RIGHTOR. Do you know Mr. Paul Habans?

Governor PARKER. Well.

Mr. RIGHTOR. He is the manager of the Home Loan Bank.

Governor PARKER. I have never known him very intimately. I knew him when he was in the council and when he was a teacher there. He had a fine record as a teacher and a fine record as a public official.

Mr. RIGHTOR. Did you concur with us that he was the right man to manage the Home Loan Bank?

Governor PARKER. I did, unquestionably.

Senator BARKLEY. What was his position as teacher? What did he teach?

Governor PARKER. He taught in the public schools, Senator. I never met him. My eldest son told me that he was a very fine fellow and had gone to school with him.

Senator COUZENS. What would be your view as to the situation where so many people from Colonel Sullivan's office were appointed in the office of the Collector of Internal Revenue there?

Governor PARKER. I cannot answer that. I do not know what percentage—the only recommendation to my knowledge that I ever made to Mr. Moore after he went there was a man by the name of George Tieswell. He was referred to here yesterday. He was a French scholar. I understand he had been acting on the other side as an interpreter during the war. He has had an education and training which would suit him admirably for the position as a public accountant, and he is a man well qualified for any position of that kind, and I regard him as a very high type of man. That is the only man that I ever recommended.

Senator COUZENS. It appears in the testimony so far and from the record which Senator Long has taken from the Commissioner of Internal Revenue here, that quite a number of employees of Colonel Sullivan have been employed by Mr. Moore. What would you think of that as a practice?

Mr. RIGHTOR. Senator, would you permit me to show that the record shows two?

Senator LONG. Three. And one more that went from the track.

Senator COUZENS. We won't discuss the number, but what do you think of a practice of that sort?

Governor PARKER. I think the average man who indirectly is called upon to help in any way, he wants to try to get the best qualified man or woman that he knows to fill the positions. I know that personally I have nothing to do with the filling of these minor positions. I have been called in on quite a number of others merely to tell what I thought of this one or that one, or his qualifications. And I can unqualifiedly say that I have not advocated a single man that I did not think would be a credit. No friend, and no relative, and as for myself, there is not a job on earth that I want.

Senator COUZENS. I was not questioning what you had done. I am questioning the wisdom of taking out of a lawyer's office, who practices law, employees, and transferring them to a governmental bureau anywhere at any time.

Governor PARKER. I never have believed in nepotism to any extent, but on the other hand, I believe that a man is really justified in urging the need of people who are thoroughly qualified to assist in whatever work they have, and especially under conditions like we have had this year, with trouble and turmoil all over. It is requisite to have people who are well qualified and whose integrity is known.

The CHAIRMAN. Are there any other questions?

Senator LONG. Yes, I have some questions.

Senator BARKLEY. I would like to ask you this. It has been brought out here that there are about 85 employees in the collector's office in Louisiana, and that three of the employees were taken out of the office of Colonel Sullivan. I know nothing about the connec-

tion between the appointments, but do you regard that as a very high proportion of young ladies being taken out of an office out of 85 employees?

Governor PARKER. I would not think so.

Senator BARKLEY. Do you happen to know the young ladies involved?

Governor PARKER. I do not think I ever say any one of them. I have never been in the office of Mr. Moore. I have never been in Mr. Habans' office.

Mr. RIGHTOR. You recommended one of your former private secretaries to Mr. Habans.

Governor PARKER. I did, at his request. She had been with me during the 4 years of my occupancy of the Governor's office there, and volunteered her services, as having been dismissed by Governor Long when he was Governor, in the overflow of 1927. She was dismissed later on in the next year, and she volunteered her services there to take care of all of the details of the work, where there are many thousands of people to handle.

Senator LONG. Are you through with the witness?

Mr. RIGHTOR. Yes.

Senator LONG. What has been your late official title, Governor?

Governor PARKER. What is that?

Senator LONG. What has been your latest public position? I am talking about yourself. I think the last thing you did in your civic work was president of the Constitutional League, wasn't it?

Governor PARKER. Yes; that did its best to convict you, and you sent witnesses out of the State, and they could not be brought back. If you bring that up, I will tell you about that.

Senator LONG. Who are those witnesses?

Governor PARKER. I can give you a list of a large number of them.

Senator LONG. We won't go into that. Just furnish the committee with the list.

The CHAIRMAN. Let us not go into that, please.

Senator LONG. You were the president of the Constitutional League. I believe you answered there that you had organized it to put me out of business?

Governor PARKER. That is correct.

Senator LONG. You raised the finances, I believe, or some of it, quite a little sum of money to carry on that work, did you not, Governor?

Governor PARKER. I never asked a man for a dollar.

Senator LONG. According to the reports you did not have to ask a man for a dollar. They subscribed one hundred or so thousand dollars at the first clap of the bell.

Governor PARKER. That is totally untrue.

Senator LONG. That was published in the paper of Mr. Walker Ross.

Governor PARKER. And, furthermore, what was subscribed was not all paid.

Senator LONG. That was published in the paper of which Mr. Walker Ross is the editor, the Daily State?

Governor PARKER. Mr. Ross is here, and I venture to say that he will say that there was no such statement published.

Senator LONG. I will give you the date and ask to have it put in the record a little later. Among the different contributions to that fund, of course was Mr. Weller up at Baton Rouge?

(Senator Long subsequently furnished the following:)

This meeting occurred Tuesday, June 11, 1929. I quote, beginning with the 8-column stream line, from Colonel Ewing's New Orleans States:

FORM LEAGUE TO SAVE STATE—PARKER HEADS LEAGUE TO SAVE STATE FROM LONG—LEADERS GATHER FROM ALL SECTIONS TO BATTLE POLITICAL LAWLESSNESS

Organization of the Constitutional League of Louisiana, dedicated to the restoration of constitutional government in the State, was perfected at a State-wide meeting of about 300 citizens at the St. Charles Hotel today, with former Gov. John M. Parker, of New Orleans, as president; Senator Norris C. Williamson, of East Carroll, as vice president; George K. Perrault, of St. Landry, as chairman of the executive committee; Paul A. Chacez, of New Orleans, as secretary; and Charles Farrell, of New Orleans, as sergeant at arms.

The meeting, which convened on short notice, was classed as the most representative gathering of citizens that has been held in Louisiana within a decade.

The purpose of the league, it was explained, in the propositions before the meeting, is to take any steps that may be necessary to enforce and to carry out the provisions of the constitution to prevent Gov. Huey P. Long from treating the organic law of the State as a scrap of paper, and to stand by members of the legislature threatened with recall by the Governor.

"It takes money to fight any battle", President Parker said, after members of the legislature who were threatened with recall were introduced. "We will begin now by calling on those who can do so to contribute * * *."

Contributions then came thick and fast. A considerable number of business men in the meeting announced subscriptions of \$1,000 each. New Orleans pledged a minimum of \$25,000; Caddo Parish, \$20,000; East Baton Rouge, \$20,000; and others in varying smaller amounts. When the subscriptions were closed, the total was estimated at around \$100,000. This was done in less than 15 minutes.

[From the Baton Rouge State Times, Nov. 15, 1929.]

At the end of the discussion, Governor Long invited Governor Parker to visit him at his office in the Whitney-Central Bank or at his bedroom in the Roosevelt with any alleged irregularities on which he had information.

"I promise you, Governor", Governor Long said, "that I will either remove the person responsible or convince you that you are wrong."

"Do I understand you now, Governor", Mr. Parker said, "to say that you will take immediate action on any charges I may file?"

"Yes; if I don't convince you that you are wrong."

"Very well", Governor Parker said, and waved a salute as he retired from the room.

Governor PARKER. To my knowledge Mr. Weller never contributed a dollar, and that is what I convicted you on—that is, the statements that the Standard Oil Cos. were dictating to me my appointments and otherwise. And then foolishly I asked to let you get off.

Senator LONG. Oh, no; you did not ask anything.

Governor PARKER. That is totally untrue.

Senator LONG. You did ask for me to get off, did you say?

Governor PARKER. I said not to be hard on you. Your friends made the same request, my attorney, and George Boomer. They said that this was a young man—

Senator LONG (interposing). You stated that if they could not put me in jail and remove me from office, that you were going to resign?

Governor PARKER. No; not about going to jail. I stated in your presence and your brother's presence, and he is an attorney and is here now, that if there is a statement made in regard to that or if you proved that I had been under any obligations to any of those people, that I would instantly resign my office.

Senator LONG. Colonel Sullivan was a member of your league, the Constitutional League, I believe, was he not?

Mr. PARKER. I think he was. I can not offhand tell you. A great many prominent men were members of it, too.

Senator LONG. Mr. Rightor, he was a member, I believe?

Governor PARKER. Who?

Senator LONG. Mr. Rightor.

Governor PARKER. I don't remember whether you were or not, Mr. Rightor.

Senator LONG. Yes, he was. And Mr. Moore was a member.

Governor PARKER. No, I do not think he was.

Senator LONG. Just think hard.

Senator HASTINGS. Mr. Chairman, may I suggest that the purpose of this is of course quite material to show one thing, and that is that the witness is prejudiced against Senator Long. That is the whole purpose of it, and I take it they will both admit it. Let us get that done with and ended.

The CHAIRMAN. I suppose the committee would take cognizance of that fact, that neither of them likes the other very well. And perhaps both have very good reasons.

Senator LONG. Well, Governor, I will ask you one further thing. You made a mistake, I am sure, in one statement. You ran for Governor twice.

Governor PARKER. I ran as a Progressive. I said it was the only office I had ever held.

Senator LONG. You said you had only run once. You and I both ran for Governor twice, apiece. And we both got beaten one time and elected one time, so that put both even on that score. Following that, you organized the Constitutional League—

Senator HASTINGS (interposing). Mr. Chairman, I suggest that we ought to close this testimony.

Senator LONG. I will be through in a moment. Whom did the people decide with—

The CHAIRMAN (interposing). I imagine this is the last question.

Senator LONG. I am just about to get through with my last question. You get this league up in 1929—

Governor PARKER (interposing). I never heard of that league until I was called from the farm to come down there at the request of a lot of prominent citizens who asked me to come down and head it.

Senator LONG. I am going to ask you the question—

Governor PARKER (interrupting). Ask your questions right. And I would rather have you under oath when you ask them.

Senator LONG. I will ask you this. Please state whether or not then following of your formation of the Constitutional League of Louisiana, if that did not come on the heels of my undertaking to put a tax of 5 cents a barrel on the business of refining oil in the State, and the impeachment came after that?

Governor PARKER. I am not positive. I had been sick up there with asthma a great deal, and I knew there was a big row in regard to the oil business, and I never meddled in that, and I never once attended your impeachment.

Senator LONG. And all the trouble you and I had, started both times, first when you were Governor when I made the charge that the Standard Oil Co.—

Senator HASTINGS (interposing). Mr. Chairman, I object to that. The Committee is not interested in this.

Senator LONG. And the second time—that is how you and I got started at one another? We were pretty good friends up to then?

Governor PARKER. I never saw you in my life when you came to my room in Shreveport and made an issue in regard to the Standard Oil, and a pledge, and I told you that I would see you or any other man damned before I would make a pledge or a bargain with anybody when you asked for a pledge—

Senator HASTINGS (interposing). I object to that.

The CHAIRMAN. The chair will sustain the objection of the Senator from Delaware.

Senator LONG. I just want to ask one more question to make the record and then I will be through.

The CHAIRMAN. All right.

Senator LONG. You did, however, make a statement that you would do certain things to this oil trust if you were elected, and I went out and supported you?

Governor PARKER. I made no such statement, and under oath when I was prosecuting you—by the way, I brought a certified copy of that—that might be useful to some of you gentlemen of the committee. (Copy of proceedings of cases nos. 4821 and 4822, styled *State of Louisiana vs. Huey P. Long*, Parish of East Baton Rouge, 22d Judicial District of the State of Louisiana was filed with the clerk of the committee.)

Senator LONG. That dollar fine?

Governor PARKER. I will just file that with you gentlemen. I stated there, and my attorney and your brother who is also here will bear the statement out—

Senator LONG (interposing): Or any other statement.

Governor PARKER. I did not say any other statement.

Senator LONG. After that I was elected Governor and United States Senator and National Committee man of Louisiana, and reelected to the Public Service Commission.

Governor PARKER. And never once since that time have I seen you or spoken to you.

Senator LONG. Yes, you did. You forgot. We met down at the Union Station.

Senator BARKLEY. I don't care where you met or whether you ever met.

Governor PARKER. May I say just what that was? It is very short.

The CHAIRMAN. Yes.

Governor PARKER. I had come down from the farm. I am thirty-odd miles away from there. I had been down there, and I had come down with a couple of baskets and a lot of stuff, and I was standing out in the middle of the road and he sort of swaggered over toward me shaking his sholders and shaking his arms and leaned forward and said, "You don't know who I am, do you?" And I looked at him in amazement. I made no answer. He repeated it the second time, "You don't know who I am, do you?" And I looked at him and I said, "Certainly I know who you are. I convicted you of criminal libel. I have not had a damned thing to do with you since and I don't propose to have anything to do with you now. Are you able to understand that?" And I got no answer.

Senator LONG. To show you that that is not what you say, didn't I ask you if you were going to help out the Democratic Party in the fight for Al Smith in Louisiana, that we were having considerable opposition because of the Catholic issue that had been raised, and didn't you state there and then, no, that you had been close to Mr. Hoover and for that reason I asked you the question that you would help us out for Smith? Isn't that what happened?

Senator HASTINGS. Now, I don't know that this has anything to do with it.

The CHAIRMAN. I sustain the objection.

Senator LONG. Then that is all.

The CHAIRMAN. Who is the next witness, Mr. Rightor?

Mr. RIGHTOR. Mr. Jahncke.

TESTIMONY OF ERNEST LEE JAHNCKE, OF NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Jahncke, you were born and raised in the city of New Orleans, were you not?

Mr. JAHNCKE. Yes, sir.

Mr. RIGHTOR. You were there are the head of a large commercial firm for many years, weren't you?

Mr. JAHNCKE. Yes, sir.

The CHAIRMAN. There must be order in the committee room.

Mr. RIGHTOR. I think you were president of the Association of commerce at one time, were you not?

Mr. JAHNCKE. Yes; I was president of the Chamber of Commerce of New Orleans, I think for 2 or 3 years. At that time we had a membership of 5,000.

Mr. RIGHTOR. And you were subsequently Assistant Secretary of the Navy under President Hoover, were you not?

Mr. JAHNCKE. Yes.

Mr. RIGHTOR. Have you known Mr. D. D. Moore any time?

Mr. JAHNCKE. Yes; practically 25 years.

Mr. RIGHTOR. Intimately?

Mr. JAHNCKE. I would meet him and say "Hello" as we passed on the street. In my official capacity as president of the Chamber of Commerce, there were times when he, connected with the Times-Picayune, would confer with the officials of the community and on civic matters.

Mr. RIGHTOR. Do you know his reputation in the community?

Mr. JAHNCKE. I should say that it is splendid.

Mr. RIGHTOR. Have you ever heard it reflected upon?

Mr. JAHNCKE. In no way, manner, or form.

Mr. RIGHTOR. Were you acquainted with Col. John P. Sullivan?

Mr. JAHNCKE. I have known him all my life.

Mr. RIGHTOR. What is his reputation in the community?

Mr. JAHNCKE. A splendid citizen.

Mr. RIGHTOR. Has he been prominent in politics?

Mr. JAHNCKE. Yes.

Mr. RIGHTOR. And has been in some very bitter controversies there?

Mr. JAHNCKE. So I have observed from the papers.

Mr. RIGHTOR. Outside of when politics was on and things were hot, have you ever heard him criticized as far as truth and veracity and honesty are concerned?

Mr. JAHNCKE. Not in any case.

Mr. RIGHTOR. Have you confidence in him?

Mr. JAHNCKE. Absolutely.

Senator LONG. You have a niece by the name of Mary Collins?

Mr. JAHNCKE. Yes.

Senator LONG. Been employed by Colonel Sullivan in the internal-revenue office?

Mr. JAHNCKE. No.

Senator LONG. She is there now, isn't she?

Mr. JAHNCKE. I don't know.

Senator LONG. She is your niece?

Mr. JAHNCKE. Yes.

Senator LONG. That is all.

The CHAIRMAN. That is all.

Mr. JAHNCKE. Thank you, sir.

The CHAIRMAN. Who else have you?

Mr. RIGHTOR. Mr. Reyer.

TESTIMONY OF GEORGE REYER, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. What position do you hold in New Orleans, Mr. Reyer?

Mr. REYER. Superintendent of police.

Mr. RIGHTOR. How long have you been on the police?

Mr. REYER. Seventeen years.

Mr. RIGHTOR. Are you acquainted with Col. John P. Sullivan?

Mr. REYER. Yes, sir.

Mr. RIGHTOR. Have you ever heard of John P. Sullivan being connected with gambling in that city?

Mr. REYER. No, sir.

Mr. RIGHTOR. Have you and Colonel Sullivan mostly been on the same side politically?

Mr. REYER. Not at all times, no.

Mr. RIGHTOR. Off and on?

Mr. REYER. Off and on.

Mr. RIGHTOR. Do you know what his general reputation is in the community?

Mr. REYER. Yes.

Mr. RIGHTOR. What is it?

Mr. REYER. Splendid.

Mr. RIGHTOR. Take the witness.

Senator LONG. Mr. Reyer, are you familiar with the handbooks that are operating in the city of New Orleans?

Mr. REYER. I am familiar with some that operate there that we raid once in a while.

Senator LONG. You know that handbooks are operating in the city?

Mr. REYER. Not at this present time.

Senator LONG. You put the lid down, here the other day?

Mr. REYER. Well, we raid them from time to time.

Senator LONG. You are familiar with the fact, though, that those handbooks are operating in the city, Mr. Reyer, and have been, and to a large number?

Mr. REYER. No; I am not. We have raided them from time to time. I am familiar with those that were arrested.

Senator LONG. You know that there is no trouble to get them except when you put the lid down there. Didn't you put the lid down—I just have here in my hand by accident, a quotation that appeared in the New Orleans States—that is a reliable newspaper in that city, isn't it?

Mr. REYER. I would say it is; yes, sir.

Senator LONG. A quotation that appeared in the New Orleans States of February 9, 1934, which says—

“Service to bookies” on New Orleans races stopped. Order, laid to politics, permits town betting on other tracks.

And further—

The “lid” was clamped down good and tight on New Orleans' horse-race betting pool rooms Friday. Operators of handbooks were told that there would be “nothing doing” in the way of service and “line sheets” from the Daily Racing Form Publishing Co., which is under the same ownership as the General News Bureau, which latter organization furnishes the pool rooms of this country with service on the races.

That is correct, is it not, Mr. Reyer?

Mr. REYER. Was that in the New Orleans paper?

Senator LONG. Yes.

Mr. REYER. Yes.

Senator LONG. You tell me, when did the Fair Grounds Race Track open up for its racing season this year, Mr. Reyer?

Mr. REYER. I cannot say for sure, Senator. I think sometime in January or around the early part of February. I don't know.

Senator LONG. About February 8 or 9, wasn't it?

Mr. REYER. In that neighborhood. The latter part of January or the beginning of February.

Senator LONG. And about February 8 or 9, when the Fair Ground Race Track opened up, this article came out which you state is correct, announcing that they had shut off the wire service and the bookies?

Mr. REYER. I read the article; yes.

Senator HASTINGS. Are you through?

Senator LONG. You can ask him any questions you want, Senator.

Senator HASTINGS. I will wait until you are through.

Senator LONG. They state here in this article that—

Service means everything that can be of assistance to a race track better in “playing the ponies,” from scratches early in the morning to a “call” on the races during their progress. While none would be so bold as to express an opinion as to the source of the orders to “lay down” on Fair Grounds racing, it was freely rumored that such orders came right from the city hall and through the police department, the Racing Form and the General News Bureau.”

Was that true? Had they come from your department to shut down on them?

Mr. REYER. To shut down the races?

Senator LONG. To shut down the bookies. It states that the orders came from the police and the city and the General News Bureau to shut down on the bookies operating in town, as this article states, which you say is reliable and is true.

Mr. REYER. No; we have general orders along that line, Senator, from time to time, to make arrests. There is no particular time.

Senator LONG. Then it says:

Last week word had gone down the line that any poolrooms "dealing" the fair grounds races would get themselves in trouble. Most of them thought it was just a gesture intended as a political balm to Col. John P. Sullivan for the latter's support of the old regulars in the city election.

Do you remember that?

Mr. REYER. There was quite a comment on that.

Senator LONG. You have bet on the races, haven't you, Mr. Superintendent, a little bit? Legitimately, of course. Don't tell me anything that is not right.

Mr. REYER. I did, Senator. Very, very seldom, though.

Senator LONG. And you know that when you stop the wires and stop the bookies from receiving bets on the races at the fair grounds, that the only legitimate place that is left is to go out to the race track itself and do the betting?

Mr. REYER. Well, if you raid those handbooks, we have trouble, we raid them down there and they keep the line sheets, with the exception of the records of the bets in the place. They made the bet there and the bet is relayed by telephone out to some residence where the records of the bets are kept, and when you don't get the records of the bets, you cannot make a conviction. So the arrests we make down there are pretty much useless, unless we get undercover men to go around and get the evidence, and I have never made it a practice to get it that way.

Senator LONG. Just be frank about it. You can close those bookies if you want to; with the police.

Mr. REYER. With a separate man in each of the biggest places.

Senator LONG. You can stop them from getting the wire service?

Mr. REYER. I have raided the wire service——

Senator LONG (interrupting). If they don't get the wire service there, they cannot run the local gambling houses. These bookies—— it takes that to do the job, doesn't it?

Mr. REYER. Correct.

Senator LONG. Do you know Mr. George Sullivan, the brother of Col. John Sullivan?

Mr. REYER. Yes, I know him.

Senator LONG. You heard his brother testify that he was with that news service?

Mr. REYER. Yes.

Senator LONG. That is all.

Senator HASTINGS. Mr. Superintendent, do you belong to an organization of superintendents of police of various cities of the country?

Mr. REYER. Yes, sir.

Senator HASTINGS. It is quite a large organization?

Mr. REYER. Yes, sir.

Senator HASTINGS. Have you gathered from other chiefs of police of other cities, that one of the great difficulties that every chief of police has is bookmaking, illegal bookmaking in various cities?

Mr. REYER. No; I do not gather that from them at all.

Senator HASTINGS. You do not know whether that is true or not?

Mr. REYER. No, sir; I cannot say whether that is true or not. I will say this. I have been in the position of superintendent o'

police for about 3 years. While I have been in the department for 17 years, I have also been a captain. But since I have been there, I have never made it a practice, and during prohibition times never made it a practice to go out and look for whisky or go out and look for gambling. That is probably the reason for our great success in New Orleans in keeping down bank robberies, and so forth.

Senator HASTINGS. I want to inquire if you know, perhaps you don't know, whether or not in all large cities the illegal bookmaking is one of the problems of the police?

Mr. REYER. No, Senator. I cannot say that I have heard that discussed by many of the chiefs of police. We meet every year and most of our discussion at the meetings is along other lines.

Senator HASTINGS. Do you know Mr. Moore?

Mr. REYER. No, sir, I do not. I met Mr. Moore the other day for the first time.

Senator COUZENS. How did you get your appointment to be head of the police?

Mr. REYER. By the commission council.

Senator COUZENS. Who are they?

Mr. REYER. The mayor and four commissioners elected by the people.

Senator COUZENS. And they select you?

Mr. REYER. At the time that I was selected. It has been changed to a police committee, which is known as the police board, consisting of the mayor, the commissioner of public safety, and three honorary members, people of the city.

Senator COUZENS. All right.

Senator HASTINGS. Who are the three honorary members selected by?

Mr. REYER. By the mayor, with the approval of the council.

Senator LONG. Mr. Reyer, no such report came out that you closed down the handbooks last year when the colonel opened up, did it?

Mr. REYER. No, sir.

Senator LONG. He was not in the fold last year, was he?

Mr. REYER. I don't know what you mean by not being in the fold.

Senator LONG. Colonel Sullivan was not in your fold last year, but this year he was?

Senator BARKLEY. What fold are you talking about?

Senator LONG. The political fold of the city hall with which Mr. Reyer is connected.

Mr. REYER. I have no political connection, Senator.

Senator LONG. What I mean is this. You and I can be frank.

Mr. REYER. Yes.

Senator LONG. Colonel Sullivan was supporting the mayor?

Mr. REYER. This trip, he supported the mayor.

Senator LONG. Who gives you your appointment?

Mr. REYER. Correct.

Senator LONG. Last time he did not, but the last time you let the bookies run, and this time the paper said that you closed them down.

Mr. REYER. I think he supported the mayor the last time.

Senator LONG. I am talking about the fact that he was not with him in—this is 1934, and he was not with him in 1933—this time?

Mr. REYER. No.

Senator LONG. He supported the mayor the last time, and then he was supposed to have helped to have him indicted, and I was supposed to come in and help him get from being convicted.

Senator HASTINGS. I understand your selection was made 3 years ago.

Mr. REYER. It was made in December 1931.

Mr. RIGHTOR. And that was at a time when Colonel Sullivan was politically opposed to the city administration that appointed you, was it not?

Mr. REYER. I cannot say. That was 30 days prior to the Governor's election of 1932—that is right. Colonel Sullivan was supporting LeBlanc, and I was in favor of Governor Allen.

Senator HASTINGS. Were you selected because of your political affiliations?

Mr. REYER. No, sir; I had been with the department and made a splendid record down there with them.

Senator LONG. That is all.

The CHAIRMAN. Any other witness? I want to adjourn this committee a little before 12 o'clock today because I wish to submit a matter to the committee in executive session.

Mr. RIGHTOR. I want to ask this question of the witness, so that he can leave town. Is it not a fact that Colonel Sullivan and Colonel Bradley have had nothing to do with the fair-grounds track—

Senator LONG (interposing). That is objected to unless he knows of his own knowledge.

The CHAIRMAN. He is asking you, and you are under oath. State of your own knowledge.

Mr. REYER. I can state that Mr. Sabath, I met Mr. Sabath in New Orleans, a gentleman from Chicago, and he told me that he was one of the new owners of the fair-grounds race track, and Judge Murphy came in and also explained that he was connected with it. He came in to make the arrangements for the police detail at the track. That was 2 years ago.

Senator LONG. Just one question. Mr. Reyer, don't you know and don't we generally know that Mr. Sullivan and Mr. Bradley retain a mortgage on those fair grounds for more than it could be sold for, and that we know of that thing that was put up there and it is generally known among us that they are just about as much in control with the mortgage arrangement as they ever were? You know that they retained a mortgage for more than you could get for the place?

Mr. REYER. To tell the truth, I could not tell you. That was never explained to me.

Senator LONG. Just think. Have you been in discussions with the city authorities including the mayor, where it was freely said that that was a subterfuge performed here a year or two ago, and that Sullivan was just as much in that thing now as he ever was?

Mr. REYER. No; I never sat in on anything like that.

Mr. RIGHTOR. May I ask that all of the witnesses be discharged?

The CHAIRMAN. Yes; all of the witnesses are discharged.

Mr. RIGHTOR. With the exception of Mr. Ross and Mr. Robinson.

The CHAIRMAN. Senator Long, how many more witnesses have you?

Senator LONG. I have plenty. I want to let Miss Roddy go back. It will only take a minute for her. Then I want to try and send back the adjutant general.

The CHAIRMAN. The committee must leave here in 10 minutes, and we will take that time in executive session that we want to hold. We want to rush this matter along as speedily as possible, and yet try to be fair to everybody. I will ask you how many witnesses you have, because this executive session is on this proposition that we are going to discuss now, and I would like to get some idea of the length of time that you will take.

Senator LONG. I have some testimony that is on its way up here that is very important, that is connected with the Navillus Corporation and the Hibernia Homestead and the internal revenue and the home-loan bank, to connect the picture a little stronger, but it will not be so much testimony——

Senator BARKLEY (interposing). When you say it is on its way up, do you mean from New Orleans?

Senator LONG. Yes, sir.

Senator BARKLEY. How long will it take before it gets here?

Senator LONG. It will get here by tomorrow, I believe.

Senator BARKLEY. Is it written testimony or human testimony?

Senator LONG. It is both. Mostly written.

The CHAIRMAN. How much longer do you think it will take with your witnesses?

Senator LONG. It is according to how much they are cross-examined by the committee.

The CHAIRMAN. The committee has been very lenient. They have not cross-examined very much.

Senator LONG. Today there has not been much, but the other days, most of the time was spent that way.

The CHAIRMAN. Why we are meeting now is merely to try to get an idea as to when we can close this matter, as this committee has some very important matters relating to legislation to take up.

Senator LONG. Will the committee hold a hearing tomorrow morning, Saturday?

The CHAIRMAN. It is the idea of the committee to hold in the morning, and we were hoping to get through with it so that we could take up another matter Monday morning.

Senator LONG. I do not see how that could be possible.

The CHAIRMAN. Will you give some idea of about how many more witnesses you have?

Senator LONG. I would say about 6 or 7 or 8.

The CHAIRMAN. About six?

Senator LONG. Maybe eight.

The CHAIRMAN. Will they take long?

Senator LONG. I think it will take about——

The CHAIRMAN (interposing). The committee will recess until tomorrow morning at 10 o'clock.

(Thereupon, at 11:50 a.m., the committee recessed until tomorrow, Saturday, Apr. 7, 1934, at 10 a.m.)

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CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

SATURDAY, APRIL 7, 1934

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to adjournment, at 10 a.m., in the Finance Committee room, Senator Pat Harrison (chairman) presiding.

Present: Senators Harrison (chairman), McAdoo, Walcott, Clark, Lonergan, Hastings, Keyes, Couzens, La Follette, Walcott, King, George, Barkley, and Connally.

Present also: Senator Long, Edward Rightor, counsel for Mr. Moore; Col. John P. Sullivan; and D. D. Moore.

The CHAIRMAN. Let us proceed. Did you have any other character witnesses that you wanted to put on?

Senator LONG. He had already finished that. I thought I was examining somebody when we adjourned.

The CHAIRMAN. You wanted to examine this young lady again.

Senator LONG. I will let her go.

The CHAIRMAN. Very well.

Senator LONG. I wish to call Governor Parker back for just a question.

The CHAIRMAN. I think Governor Parker left, didn't he?

Colonel RIGHTOR. He went home last night.

Senator LONG. Can it be admitted that Gov. John M. Parker appointed Mr. Stanley Ray as his secretary when he first became Governor?

Mr. RIGHTOR. I think that is correct.

Senator LONG. Can it further be admitted that Governor Parker appointed J. S. Brock, State banking commissioner, who is still serving at this time? That is correct, I can tell you. I know it to be true.

Mr. RIGHTOR. I will check it, and if it is not correct I will put a letter in.

Senator LONG. Just let it go at present as being admitted, unless it is not the fact?

Mr. RIGHTOR. Just put in his title.

Senator LONG. State banking examiner. John S. Brock, appointed by John M. Parker in 1920, or it may have been 1921, and served continuously and still serving as State bank examiner.

Mr. RIGHTOR. I do not remember that. Suppose we agree that if I find your statement is incorrect, then I shall file a letter showing the correct facts, and on the facts as stated in the letter, those will be conceded by you as correct.

The CHAIRMAN. Very well.

Mr. RIGHTOR. You see what I mean. I will check the record.

Senator LONG. All right.

(Mr. Paul B. Habans, in a letter to the clerk of the committee, confirmed the statement that Mr. J. S. Brock was originally appointed by Gov. John M. Parker.)

Now, Mr. Chairman, I desire to offer a certificate from the State bank commissioner, Mr. J. S. Brock. To save time, instead of bringing voluminous data here, I had these extracted and wired here in the form of a certificate from New Orleans, La.

This is to certify to certain mortgage-loan transactions. I will read this one first.

Mr. RIGHTOR. I would suggest that the Senator let me read them, and it may be that I will have no objection.

The CHAIRMAN. If we can save some time; yes. I desire to say that I hope we can proceed today as rapidly as possible.

Senator LONG. That is what I am trying to do.

The CHAIRMAN. So that we can try to get along and get the calendar cleared of this matter, and that the witnesses confine themselves as much as possible directly to the facts, and that your questions, if possible, may be asked so that we can go right along quickly.

Is there some witness you can call now?

Senator LONG. No, sir; I am trying to avoid having to call the witnesses. I am trying to rush this case through, because I am just as anxious to avoid delay as you are.

Mr. RIGHTOR. I will ask the chairman, before the telegram be made public, that he read it over and consider whether my objection to its being placed in the record without any witnesses is proper.

Senator LONG. I am satisfied it will just mean multifarious witnesses.

I will say this, that you can check that certificate.

The CHAIRMAN. I suppose that the committee will have to pass on the proposition. There is a good deal of opinion expressed in the telegram.

I suppose you had better present it to the committee, and then we can rule upon it.

Senator LONG (reading). "Twenty loans New Orleans, La., April 7, 20 loans manipulated by Stanley Ray"—who, it is testified here, was Governor Parker's secretary when he was Governor—"through Eureka Homestead Society—during January, February, and March—through methods charged—"

The CHAIRMAN (interposing). I think, Senator, that probably it would be better for the committee to retire and consider that matter.

Senator LONG. Would you permit me to go in with the committee, because so many of them have not been here. The occasion has been shown. I have linked it up so that they will see the connection.

The CHAIRMAN. Pass that matter by for the present.

Senator LONG. By the way, I do not want to lose my other telegram.

Mr. RIGHTOR. I will protect you.

Senator LONG. This is so much in order now that I wanted to get through with it.

The CHAIRMAN. I feel that the proposition ought to be committed, because it has an opinion there.

Senator LONG. The last line does state an opinion. I am willing to eliminate it.

Senator BARKLEY. These telegrams were supposed to be certificates from some officers.

Senator LONG. It is from the State bank commissioner.

The CHAIRMAN. Let us pass that by for the moment. We will go along, and then we will retire and consider the proposition.

Senator LONG. I have not asked for any certificate—

The CHAIRMAN (interposing). More of the Senators will be here presently, and I will take them in and go over it.

Let us proceed with another witness.

Senator LONG. I hate not to get this into the record now, but it is the chairman's ruling that we will pass it now?

The CHAIRMAN. We will save time that way.

Senator LONG. All right. I will call General Fleming.

TESTIMONY OF GENERAL RAYMOND H. FLEMING, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Senator LONG. General Fleming, where do you live?

Mr. FLEMING. New Orleans.

Senator LONG. What position do you hold?

Mr. FLEMING. Adjutant General of Louisiana.

Senator LONG. How long have you held that job?

Mr. FLEMING. Since July 1928.

Senator LONG. Who appointed you?

Mr. FLEMING. Governor Long.

Senator LONG. You have been retained by Governor Allen?

Mr. FLEMING. Yes.

Senator LONG. Were you connected with the National Guard in any manner before that?

Mr. FLEMING. Yes; since 1916.

Senator LONG. Do you remember who recommended you to me? Or perhaps I had better not state that, but it does not make any difference. You were recommended to me by several people?

Mr. FLEMING. Yes.

Senator LONG. And appointed by me almost sight unseen, weren't you?

Mr. FLEMING. Yes.

Senator LONG. General, I will ask you if soon after your appointment and my inauguration as Governor of that State—let me see—I believe you were appointed about 2 or 3 months after I became governor?

Mr. FLEMING. I was appointed in July 1928.

Senator LONG. I will ask you if, soon after you were appointed adjutant general of that State, in charge of the militia—you are in charge of the National Guard and the militia?

Mr. FLEMING. Under orders of the Governor.

Senator LONG. Did I give you any instructions relative to making a survey on gambling in New Orleans and around New Orleans, with a view of stopping it in that city and that environment?

Mr. FLEMING. Yes; you did.

Senator LONG. Did I issue statements to the public generally?

Mr. FLEMING. Yes, sir.

Senator LONG. That we would bring the militia to the city and around the city?

Mr. FLEMING. Yes, sir.

Senator LONG. I will ask you if, in connection with that, you started out to do any raiding.

Mr. FLEMING. Not until I had orders.

Senator LONG. Not until you had orders to do so?

Mr. FLEMING. Yes, sir.

Senator LONG. Did you find any wide-open gambling after I made these announcements, or not, around or in the town?

Mr. FLEMING. Yes, sir.

Senator LONG. Where was the wide-open gambling particularly that we really found flourishing at that particular time?

Mr. FLEMING. Various places in St. Bernard and Jefferson Parishes.

Senator LONG. It finally went under cover in New Orleans at the time?

Mr. FLEMING. Yes, sir.

Senator LONG. Did you start in raiding, and, if so, where did we raid first?

Mr. FLEMING. The first raids were in St. Bernard, by your orders, August 11, 1928; the next were in St. Bernard and Jefferson, November 11, 1928; the next were in both parishes on February 8, 1929; and the next were in both parishes on February 13, 1929.

Senator LONG. General Fleming, you are familiar with the fact that the local authorities—I will pause until Senator Hastings takes his seat, if you don't mind, Mr. Chairman.

You are familiar with the fact that the local authorities in St. Bernard Parish had supported me for Governor, were you not? Dr. Merrow and his crowd?

Mr. FLEMING. Yes, sir.

Senator LONG. While the committeemen are talking, I am going to pause, because there is no use talking until I get the attention of the committee.

You have testified—and I want you to state it again, because I want the chairman to know it—you have testified that in St. Bernard Parish I had been supported by the local authorities in that parish?

Mr. FLEMING. Yes, sir.

Senator LONG. They were my political supporters.

Mr. FLEMING. Yes, sir.

Senator LONG. Where did I start my raids?

Mr. FLEMING. St. Bernard Parish.

Senator LONG. In the domain of my political supporters, did I not?

Mr. FLEMING. Yes, sir.

Senator LONG. That was the first raids you made?

Mr. FLEMING. The first one.

Senator LONG. This was after the warning had been given to everybody?

Mr. FLEMING. Yes, sir.

Senator LONG. I will ask you if, in the raid that I conducted in that parish, of St. Bernard, I did not have the active help of Col. John P. Sullivan, even to the extent of his riding down with me that night, when I handed you the order to raid them?

Mr. FLEMING. I was given direct information from one of my officers to that effect; yes, sir.

Senator LONG. He actually rode down there with me that night when we raided St. Bernard?

Mr. FLEMING. I was so informed.

Senator LONG. Then we started to raid Jefferson Parish. Wait a minute. Was there any particular competition between the various localities over the gambling business, that is, between Jefferson and St. Bernard?

Mr. RIGHTOR. You don't know?

Senator LONG. Yes, he does.

Mr. FLEMING. As far as I know, both wanted the business.

Senator LONG. One wanted the other shut down at that time?

Mr. FLEMING. That is what I have heard.

Senator BARKLEY. Let the witness testify to what he knows?

Senator LONG. He knows more about it than anybody.

Senator BARKLEY. He is not testifying at all, except by saying "yes" or "no."

Senator LONG. That is why I say just go ahead and explain. You know the questions I have asked you. Why was it that one would be interested in the other being shut down?

The CHAIRMAN. State of your own knowledge.

Mr. FLEMING. It is my knowledge that they both wanted the gambling business. The people that came there in both parishes, both in their clubs and in their gambling business.

Senator BARKLEY. Let us see if you cannot explain. What are these two parishes? They are St. Bernard and Jefferson?

Mr. FLEMING. Yes.

Senator BARKLEY. Are they within the city of New Orleans?

Mr. FLEMING. No, sir.

Senator BARKLEY. They are both outside of the city?

Mr. FLEMING. Yes, sir.

Senator BARKLEY. Do they both have a race track?

Mr. FLEMING. One has a race track.

Senator BARKLEY. What does the other one have?

Mr. FLEMING. They both have amusement clubs and gambling places.

Senator BARKLEY. So that each one was out for his own home industry?

Mr. FLEMING. Yes, sir.

Senator LONG. I may explain it a little better.

The CHAIRMAN. Go ahead and ask your questions.

Senator LONG. They drew their business principally from New Orleans?

Mr. FLEMING. That is right; yes, sir.

Senator LONG. The New Orleans area?

Mr. FLEMING. Yes, sir.

Senator LONG. When St. Bernard flourished, Jefferson flourished, they would have to divide the business?

Mr. FLEMING. That is true.

Senator LONG. And if you closed St. Bernard down——

The CHAIRMAN. Senator, you are too good a lawyer not to know the type of questions you are asking. If you want to testify, it is all right.

Senator LONG. Without asking you any questions, explain what I am trying to ask you.

Mr. FLEMING. Naturally the business of both of these parishes, one above and one below New Orleans, came mostly from the citizens of New Orleans, and visitors in New Orleans, and the very nature of their business made it, to a certain extent, competitive.

If one was not operating, the other got more business than when they were both operating.

Senator LONG. All right. So, then, now, we first raided St. Bernard?

Mr. FLEMING. Yes, sir.

Senator LONG. Did I come to you then and tell you that anyone had informed me that they were going to open up in Jefferson Parish after I had shut down St. Bernard?

Mr. FLEMING. You did.

Senator LONG. State the circumstances.

Mr. FLEMING. You did tell me such a thing on February 13, on the afternoon of February 13.

Senator LONG. What did I tell you?

Mr. FLEMING. I was directed to report to you, and I did so. At that time you gave me orders to raid any gambling places open in either parish. At that time you did tell me that you had had a disagreement with Colonel Sullivan regarding the operation of these places in Jefferson Parish. You stated that you had disagreed with him, that you were not going to leave them open, gave me orders that if they were opened that night, to raid them.

Senator BARKLEY. I make the point that instead of the witness repeating answers to the leading questions of Senator Long, that Senator Long is here and can be sworn as a witness, and let him himself tell what was said.

It seems to me it is a rather irregular procedure.

Senator LONG. You had Colonel Bradley tell you what Colonel Sullivan told him. Here is an official communication I gave this man, who is a reliable man, telling what happened at a critical time back there.

The CHAIRMAN. I think we will get at it more quickly if we let the witness answer the question.

Senator LONG. I think so.

Go ahead.

Mr. FLEMING. I think I answered the question.

Senator LONG. You stated, then, that I told you—I want to get the balance of the answer—that I told you that I had had a disagreement with Mr. Sullivan over that Jefferson gambling.

Mr. FLEMING. Yes.

Senator LONG. And I told you to go out and raid them?

Mr. FLEMING. If they opened, to raid them that night, and gave me written orders.

Senator LONG. Did I tell you that he had told me—

Mr. RIGHTOR. I object to that.

The CHAIRMAN. Senator, conduct your examination a little more in order.

Senator LONG. Go ahead and tell the balance.

Mr. FLEMING. I immediately assembled the necessary personnel to execute my orders, fixed a rendezvous for the men, called the officers in, and gave them instructions.

At 12 o'clock that night we found certain places open in Jefferson and St. Bernard Parish, consisting of Tranchina's night club and the Suburban Gardens in Jefferson Parish, and the St. Bernard Country Club in St. Bernard Parish. We seized gambling paraphernalia and what money was in the games, and carried the gambling paraphernalia to the barracks. Governor Long ordered its destruction, and turned the money in to the State treasury.,

Senator LONG. All in all—just abbreviate the answers—all in all the turned in—

The CHAIRMAN (interposing). Let the witness answer.

Senator LONG. How much money in all of these raids did you turn in?

Mr. FLEMING. We turned in to the State treasury approximately \$75,000.

Senator LONG. How much paraphernalia did you turn up out there?

Mr. FLEMING. Approximately \$100,000 worth of paraphernalia.

Senator LONG. I call you back now to the night when you raided Jefferson Parish.

Mr. FLEMING. February 13.

Senator LONG. Where were you staying and conducting the raids?

Mr. FLEMING. In my office in the Washington Artillery Hall, 729 St. Charles Street.

Senator LONG. Did you raid that night a place called Tranchina's?

Mr. FLEMING. I did.

Senator LONG. Did you have any cause to come to my room in the hotel as the result of that raid?

Mr. FLEMING. Yes, sir.

Senator LONG. Why?

Mr. FLEMING. A man there—we had had instructions to search these people, and one man and his wife, by the name of Kriss—

Senator LONG. Is this man here who was identified the other day as F. B. Kriss [indicating]?

Mr. FLEMING. Yes, sir. He took objection to being searched.

Senator LONG. Did he make threats that were communicated to you?

Mr. FLEMING. Yes, sir.

Senator LONG. What threats did he make?

Mr. FLEMING. He threatened a lawsuit.

Mr. RIGHTOR. Were you present at the time?

Mr. FLEMING. No, sir.

Senator LONG. These were reports coming right out of the gambling house to him, that he had come with to me, and asked what to do.

It would take many witnesses to come here to testify to the same thing. There were probably how many guardsmen there?

Mr. FLEMING. Probably 40 or 50. These reports were of the captain in command. There were telephoned to me.

The CHAIRMAN. What is the question?

Senator LONG. Just what was the report when you were trying to search Mr. Kriss?

Mr. FLEMING. The commanding officer in charge of the raid at Tranchina's reported to me over the telephone—we were in constant communication—

Mr. RIGHTOR (interposing). I object to that.

Senator LONG. Don't try to shut out everything.

The CHAIRMAN. I think the committee had better recess for a few moments. Give me those telegrams, please, and let us pass on them.

Senator LONG. Can I be heard 1 minute by the committee?

The CHAIRMAN. No. The committee members will meet.

Senator LONG. I wanted those who were not here to see the connection. I do not think the committee will understand the connection—all of them—unless you explain it.

(The committee retired at 10:25 a.m. and returned at 10:40 a.m.)

The CHAIRMAN. The committee will come to order.

The committee has decided that these matters should not go into the record, Senator, and you can have Mr. Brock subpoenaed to come here to testify.

Senator LONG. Shall I ask you now to subpoena them? I want to subpoena J. S. Brock, State bank examiner; A. R. Johnson, assistant State bank examiner; and Mr. Finnegan—I have forgotten his initials—the assistant State bank examiner, whom you will reach in the office of the State bank examiner, either in New Orleans, La., or in Baton Rouge, La.

Senator KING. Would it not be cumulative? Could not one witness testify to the facts?

Senator LONG. The only trouble is, the examinations are being made by three of them, and they come in and cumulate their information, so that you will have to have the examination made by Mr. Finnegan as to him—that is what I was trying to bring out.

The CHAIRMAN. If you need three witnesses, we will have them subpoenaed.

Mr. RIGHTOR. I can save the committee time and trouble, and Senator Long, by this statement:

All of the facts that are facts of record that are stated in that telegram are within the knowledge of Colonel Sullivan. He is not going to dispute them. You can place Colonel Sullivan on the stand, and he will admit those facts.

Senator LONG. If he will admit them all, just put the telegram in.

Senator HASTINGS. You mean what is contained in the telegram?

The CHAIRMAN. The facts therein stated.

Mr. RIGHTOR. Since we understood that the Senator was checking the Navillus Realty Corporation and the Hibernia, we made a thorough check-up.

Senator BARKLEY. Inasmuch as I presume Colonel Sullivan is going to go on the stand and will be subject to cross-examination, if there is anything further about these transactions after that occurs that ought to be testified to by Mr. Brock, or any other officials down there, can we not then determine whether to bring them here?

Senator LONG. If my friend Mr. Rightor says that all of the parts in there that are facts are facts, anyway, then there is no objection to just letting the telegram go in.

Senator BARKLEY. Those telegrams are framed in language which makes it difficult to separate the facts from opinions.

Senator LONG. Now I ask that my subpoena stand, if the Chair please.

The CHAIRMAN. Very well.

Senator LONG. Will I have my telegrams back, please?

Senator BARKLEY. Mr. Chairman, I suggest that the State manager of the Home Loan Owners Corporation be allowed to come here, if there is any testimony involving that Office.

The CHAIRMAN. What is his name?

Mr. RIGHTOR. Paul B. Habans.

The CHAIRMAN. Are there any of these other gentlemen that are mentioned in this telegram?

Mr. RIGHTOR. I will inform them. I do not like to bring out the names contained in the telegrams, for the newspapers, but I will see that they are notified.

The CHAIRMAN. All right. Proceed, Senator.

Senator LONG. Go ahead, Mr. Fleming.

What is the last question?

(The stenographer thereupon repeated the question referred to, as follows:)

Just what was the report when you were trying to search Mr. Kriss?

Mr. FLEMING. The captain commanding——

Mr. RIGHTOR (interposing). If there is a written report, we ask that it be introduced.

The CHAIRMAN. Is there a written report?

Mr. FLEMING. There was a telephone report every few minutes.

The CHAIRMAN. You have no written report?

Mr. FLEMING. I had written reports from that commanding officer after the raid was finished.

Senator LONG. That only stated what he had found and burned?

Mr. RIGHTOR. I understand that General Fleming did not even leave Washington Artillery Hall on that night, and that the scenes that he is endeavoring to describe occurred 10 or 15 miles away, and he had various telephone messages. No record of them.

The general is under oath to confine himself to facts that he has knowledge of.

Senator LONG. State what the report was when they arrested Mr. Kriss.

Mr. FLEMING. The reports came in officially by telephone constantly.

Senator BARKLEY. Do you know who reported to you about Kriss?

Mr. FLEMING. Yes, sir.

Senator BARKLEY. What is his name?

Mr. FLEMING. Capt. P. A. Darly.

Senator BARKLEY. Where is he?

Mr. FLEMING. He lives in New Orleans.

Senator BARKLEY. Has he been summoned here?

Mr. FLEMING. Not that I know of.

Senator LONG. You can summon him, too, if you want him.

Senator BARKLEY. Pursue any course you want to, but it seems to me that the proper course is to summon the man here who made the arrest and made the search and let him tell what happened, and not have a witness tell what he told somebody. That seems to me to be the legal way to proceed.

The CHAIRMAN. There is no doubt that the legal way to proceed would be to have him here, but if you know of your own knowledge any matter that connects Colonel Sullivan with this proposition, go ahead and state it of your own knowledge.

Mr. FLEMING. I did not see Colonel Sullivan, and I did not talk to Colonel Sullivan, but I did have reports of an official nature phoned to me constantly during the raid—reports of the commanding officer in charge. He did report that he had found a Mr. and Mrs. Kriss, who refused to be searched. He did ask me what disposition was to be made of them. He did ask me; and he said that they had threatened him. He did state that Mr. Kriss was a race-horse owner, and that he had wanted to get in touch with Colonel Sullivan. He did say that Mr. Kriss said that Colonel Sullivan was his good friend, and that he wanted to get in touch with Colonel Sullivan. That is the only connection, insofar as I know, of Colonel Sullivan's connection with it.

Senator LONG. I will ask you to please state further whether or not he said any threats had been made by Mr. Kriss if he searched him, without indicating Colonel Sullivan.

Mr. FLEMING. He threatened lawsuits and reprisals; yes, sir.

Senator LONG. Did you come to my room as a result of that?

Mr. FLEMING. Yes; for information.

Senator LONG. What did I tell you?

Mr. RIGHTOR. I object to that. Let the Senator be sworn.

Senator HASTINGS. Mr. Chairman, I thought we ought to hear it, if any of it is material. The committee has never followed any rules that you follow in a court of law.

The CHAIRMAN. Go ahead.

Mr. FLEMING. I went to the Governor's room for additional instructions, in order to find out what I should do. I was told to hold Mr. and Mrs. Kriss, if they would not be searched, until they agreed to be searched. They were kept there all night, and the next morning they were taken to Jackson Barracks and searched.

Senator LONG. When you searched them, you found nothing?

Mr. FLEMING. No, sir; nothing.

Senator LONG. Did I then give you instructions to go back and look—

The CHAIRMAN (interposing). Let him state.

Senator LONG. Were any instructions given to you to go back and look in the water-closet, where they had allowed those people to go when they had them?

The CHAIRMAN. Senator, I do not think—

Senator LONG (interposing). Did you find any money there?

Mr. FLEMING. No. Before then we found the money. The place was thoroughly searched, and about \$5,000 was found in the water-closet and turned in to the State treasury.

Senator CONNALLY. Was the money marked?

Mr. FLEMING. No, sir. Not that I know of.

Senator BARKLEY. As a result of this conversation with whoever reported to you that this man Kriss wanted to get in touch with Colonel Sullivan, did he get in touch with him?

Mr. FLEMING. No, sir; not that I know of.

Senator BARKLEY. Did Colonel Sullivan make any effort to prevent the searching of this man?

Mr. FLEMING. Not that I know of.

Senator BARKLEY. Did he interfere in any way in the raid or with the searching of the people?

Mr. FLEMING. No, sir.

Senator LONG. He did not get any chance to, did he?

Mr. FLEMING. No, sir.

Senator BARKLEY. Do you know whether he wanted to get in touch with Colonel Sullivan and employ him as his attorney in the case, or for friendly advice, or what?

Mr. FLEMING. I don't know.

Senator BARKLEY. Just wanted to get in touch with him; but did not get in touch with him?

Mr. FLEMING. No, sir.

Senator HASTINGS. Senator Long, may I ask, in order to find out just the point that you are trying to make here, in interrogating this witness—so far as I see, up to this point, what has been shown as affecting Colonel Sullivan is that when some gambling house was raided, some person found there refused to be searched until—well, you said he said Colonel Sullivan was a friend of his, and wanted to consult with him. Is that what he testified to?

Senator LONG. That is all he has testified to. This came out in February—February 13—about Mr. Kriss, did it not?

Mr. FLEMING. Yes, sir.

Senator LONG. Do you remember how long thereafter it was that Mr. Sullivan announced that he had turned against Huey Long?

Mr. FLEMING. I remember there was such a statement in the newspapers some several days after that. I don't remember exactly how many days.

Senator BARKLEY. How long was it before this raid that Governor Long told you that he had had a falling out with Colonel Sullivan?

Mr. FLEMING. At the time he gave me the orders for the raid. The same evening.

Senator BARKLEY. He told you that he had fallen out with Colonel Sullivan—

Mr. FLEMING (interposing). No, sir. He did not say that.

Senator BARKLEY. What did he say?

Mr. FLEMING. He said Colonel Sullivan had seen him and they had disagreed about the opening of these gambling places.

Senator BARKLEY. And if any of them opened up in Jefferson Parish, to raid them?

Mr. FLEMING. In the parish.

Senator BARKLEY. Did he tell you what the nature of the disagreement was?

Mr. FLEMING. No, sir; except a disagreement over gambling. Whether they should be opened or not opened.

Senator CONNALLY. What did their falling out have to do with raiding them or not raiding them?

Mr. FLEMING. I don't know.

Senator CONNALLY. He had a falling out, and therefore you must raid them?

Mr. FLEMING. There had been a constant series of raids. He simply told me as he was giving me orders that Colonel Sullivan had talked to him about opening them, and he had refused.

It was simply a remark he made at the time he gave me my orders.

Senator CONNALLY. What I am getting at is, did the falling out with Colonel Sullivan have anything to do with the raid being made or not being made? What did that have to do with it?

Mr. FLEMING. I don't know.

Senator CONNALLY. It was your duty to raid them, whether he had a falling out with Colonel Sullivan or not.

Mr. FLEMING. I was simply carrying out orders. It did not make any difference to me.

Senator LONG. I will ask you this question: I told you that Colonel Sullivan had told me that he was going to open up those gambling houses in Jefferson Parish, and I told him not to do it, and that if he opened them up I wanted them raided that night.

Mr. RIGHTOR. We object to that.

The CHAIRMAN. Senator, I think if you want to testify the committee will hear you.

Senator LONG. He has testified to the same thing. I just wanted the Senator from Texas to understand what he had testified to.

Senator BARKLEY. I don't think he said that.

Senator LONG. Then I will ask you to answer and state just exactly what I told you, and in my words.

Mr. FLEMING. The Governor did say that Colonel Sullivan wanted the places open and that he had not agreed with him. He told me that at the time he gave me my orders.

Senator LONG. Did I mention at that time that the colonel had specified one man in particular that he had had a conversation with?

Mr. FLEMING. You did tell me at that particular time that this man Kriss had some connection with this gambling business and to be on the lookout for him.

Senator LONG. Did I tell you who had mentioned Kriss' name to me?

Mr. FLEMING. I am not sure, Senator.

Senator LONG. All right.

Senator BARKLEY. In Louisiana, your parishes are similar to our counties?

Mr. FLEMING. Yes, sir.

Senator BARKLEY. Did these two parishes have local peace officers—sheriffs?

Mr. FLEMING. Yes, sir.

Senator BARKLEY. How did it happen—and this is simply for information, because it is a little unusual, it seems to me—for the Governor to order the adjutant general of the State militia to make raids instead of consulting the sheriffs and local officers? Is it customary in Louisiana for the adjutant general of the Army to carry on these peace-officer operations instead of the sheriff or other peace officers in the county or the parish? How is that?

Mr. FLEMING. My orders stated that the peace officers, either unable or having refused to carry out the law, that the Governor directed me to. That was my orders.

Senator BARKLEY. Had the peace officers in those parishes refused to carry out any orders, or had they been ordered to make raids?

Mr. FLEMING. My orders so stated.

Senator BARKLEY. You don't know whether they had or not?

Mr. FLEMING. I had been told that by the Governor.

Senator BARKLEY. Did you have a talk with the sheriff—

Mr. FLEMING (interposing). I had never seen the sheriff.

Senator BARKLEY. You don't know about that?

Mr. FLEMING. No, sir.

Senator BARKLEY. It was not your business to find out, but just to obey orders?

Mr. FLEMING. Yes, sir.

The CHAIRMAN. Are there any further questions?

Senator LONG. Mr. Fleming—General Fleming—I guess you want to be called by your title—whichever pleases you most—I will now ask you if you will please state who brought you to me or who recommended you to me for the appointment as Adjutant General?

Mr. FLEMING. A group of National Guard officers, together with Mr. Ewing, of Shreveport.

Senator LONG. Colonel Ewing's son?

Mr. FLEMING. Mr. John Ewing; yes, sir.

Senator LONG. Had you ever seen me before that time, and, if so, when?

Mr. FLEMING. I had seen you; yes, sir. I had never met you. I had seen you on the streets and in hotels. I think I had seen you once at a meeting of the Louisiana Public Service Commission when I appeared before that body.

Senator LONG. Now, Mr. Fleming, this was in February 1915.

Mr. FLEMING. 1929.

Senator LONG. I beg your pardon. I had February 15 here.

How long after that was it before I was under the impeachment? I just want to fix the date.

Mr. FLEMING. Some 2 weeks or a month, maybe. I don't know the exact time.

Senator LONG. Not longer than 2 or 3 months?

Mr. FLEMING. No, sir.

Senator LONG. Did I call you again while I was out in the impeachment making speeches over the State, to see me about the orders I had given to suppress gambling?

Mr. FLEMING. Yes; you called me and directed me to report to you, in Hammond, La.

Senator LONG. What was I doing that night?

Mr. FLEMING. Making a speech.

Senator LONG. What order did I give you that night?

Mr. FLEMING. Directed me to cancel my orders regarding the gambling.

Senator LONG. Did I tell you why?

Mr. FLEMING. Yes, sir.

Senator LONG. State why.

Mr. FLEMING. You stated that impeachment charges had been brought against you, and this was one of them, and therefore that you would not continue my orders. I asked that you confirm that with a telegram, which you did.

Senator LONG. Did I state to you that the Association of Commerce, Sunday school classes, big business, and others had asked me to do the raiding?

Mr. FLEMING. You did state that.

Senator LONG. And that they had joined the gamblers with the Standard Oil Co. to impeach me—

The CHAIRMAN (interposing). Senator, let us not go into that. If you want to testify, all right.

Senator LONG. That is the night I told you to let the local authorities handle it?

Mr. FLEMING. Yes, sir.

Senator LONG. That is the last time we have ever fooled with it?

Mr. FLEMING. Yes, sir.

Senator LONG. That is all.

Mr. RIGHTOR. I have here a telegram from Maurice N. B. O'Neil, who is head of the Bertillon department in New Orleans, addressed to Chief Reyer here, saying:

All records of Fred P. Kriss ordered out by Judge Mart M. Boatner, division B, Civil District Court, March 1, 1929, at 2:30 p.m., by Supt. Theodore A. Ray in presence of undersigned.

Now, General, don't you know, as a matter of fact, that that man Kriss' picture in the rogues gallery under order of the court was eliminated from the rogues gallery?

Mr. FLEMING. No, sir; I do not.

Mr. RIGHTOR. You never heard that?

Mr. FLEMING. I have heard of it. I don't know from what source.

Mr. RIGHTOR. You heard it from about as good a source as the other testimony you have been giving here?

Mr. FLEMING. I probably read it in the newspapers.

Mr. RIGHTOR. You saw it in the newspaper.

Mr. FLEMING. I probably did.

Senator LONG. Mr. Fleming, I will ask you, since you have been asked the source, if you understood that the chief of police, Mr. Ray, at the time he was supported for the position, by Colonel Sullivan?

Mr. RIGHTOR. I object to that. That is not a question. That is a statement of fact.

The CHAIRMAN. If that has anything to do with it, ask him whom he supported, if he knows, Senator.

Senator LONG. Who did you understand held the files of Mr. Kriss in the rogues gallery, or did you understand?

Mr. FLEMING. No, sir; I don't know.

Senator LONG. Did you or did you not know or hear of a very friendly proceeding occurring between the chief of police——

Mr. RIGHTOR (interposing). I object to that. That is not a question that is a statement.

Senator LONG. All right. I guess you are right.

That is all, General.

The CHAIRMAN. That is all.

Senator HASTINGS. Did it appear in the record who this man Maurice B. O'Neil is?

Mr. RIGHTOR. Yes, sir; I stated that he is the operator of the Bertillon system in New Orleans.

The CHAIRMAN. Who is your next witness?

Senator LONG. Mr. Henderson.

TESTIMONY OF H. A. HENDERSON, ST. AUGUSTINE, FLORIDA

(The witness was duly sworn by the chairman.)

Senator LONG. Where do you live?

Mr. HENDERSON. St. Augustine, Fla.

Senator LONG. Are you familiar with Colonel Bradley's business down there?

Mr. RIGHTOR. One moment. I understand that the committee has already ruled that matters concerning Colonel Bradley's business,

insofar as they relate to New Orleans alone, are testifiable before the committee.

This gentleman lives in Florida, and he is about to testify to what is going on in Florida.

The CHAIRMAN. I understood he asked the question about New Orleans?

Senator LONG. Florida.

The CHAIRMAN. The chairman will sustain the objection to going into the Florida proposition.

Senator LONG. Do you know whether or not any Louisiana people come to the Florida businesses operated by Mr. Bradley?

The CHAIRMAN. The committee has decided that we won't go into that.

Senator LONG. So, Mr. Henderson, I guess you can be excused.

The CHAIRMAN. Who is the next witness?

Senator LONG. Mr. Breen.

Mr. Chairman, at this time I do not believe, inasmuch as my home-loan inquiry has been postponed until these other witnesses can come in, I do not recall that I have any other witnesses summoned here to testify. If I have, they may be around. But I have the labor people.

The CHAIRMAN. But I think it is fair to these people who are here at the expense of the Government, having come here from a distance, that we ought to take them, whether they are on one side or the other, and get rid of them. We will save the Government some money and these gentlemen who are here in Washington can testify later.

Senator LONG. Will you please swear Mr. Breen? These gentlemen are mostly from out of town.

The CHAIRMAN. This gentleman lives in Washington.

Senator LONG. Yes; but I have the other labor men with him here who come from Indianapolis and other places.

Senator BARKLEY. Let them testify.

Senator LONG. This man has to testify to make the preface for them. This is my main witness on the ground at the time.

The CHAIRMAN. I understood this gentleman had testified before. His testimony is in the record.

Senator LONG. He did not testify what I wanted him to testify, and what I am going to ask him now.

The CHAIRMAN. All right. Go ahead.

STATEMENT OF JOHN N. BREEN

(The witness was duly sworn by the chairman.)

Senator LONG. Mr. Breen, did you ever live in New Orleans?

Mr. BREEN. I have.

Senator LONG. What did you do down there?

Mr. BREEN. I was secretary-treasurer and organizer of the local typographical union there.

Senator LONG. When did you go to New Orleans first, if you remember?

Mr. BREEN. I went to New Orleans as a boy, about 1884.

Senator BARKLEY. When?

Mr. BREEN. 1884.

Senator LONG. When did you leave there?

Mr. BREEN. I left there in 1915.

The CHAIRMAN. All of that is in the record, and you are just taking up the time of the committee. He furnished it to all of them before.

Senator LONG. You heard him, but I did not. I beg your pardon. I was not here when he testified.

The CHAIRMAN. It is in the record. It is a matter of record.

Senator LONG. Did you know Mr. D. D. Moore?

Mr. BREEN. I did.

Senator LONG. Where did you know him? And how?

Mr. BREEN. I first met Mr. D. D. Moore as printer at the Graham Co. in New Orleans about some time between 1895 and 1897.

Senator LONG. What was he at that time?

The CHAIRMAN. Senator, won't you have him state any additional testimony he has to make that he did not testify to before.

Senator LONG. I do not know what he testified to before. I would have to go through it line by line and dissect it, and if you will allow me to proceed it will only be a very few answers.

The CHAIRMAN. I do not think it is fair to these other gentlemen and to the committee for us to have to go over testimony that he has already given, and which is a matter of record here, and that any Senator can read.

If he has any additional testimony to give, all right.

Senator LONG. Well, I read what he said here—I just glimpsed through it—and I do not see that what I am trying to bring out was very well covered.

The CHAIRMAN. Let me ask the witness.

Do you know anything respecting Mr. Moore and this case that you want to testify to now, that you did not testify to before when you were before the committee?

Mr. BREEN. I do.

The CHAIRMAN. All right. Proceed.

Mr. BREEN. I would like to lay this down as a premise that I represent the New Orleans Typographical Union before this committee.

Senator LONG. Do you represent anybody else?

Mr. BREEN. I have this telegram which I would like to have go into the record.

The CHAIRMAN. Did you represent them when you appeared before us before?

Mr. BREEN. Yes; at the request of the International Typographical Union. The request now comes not only from the International Typographical Union, but also from the New Orleans local.

Senator LONG. Are you here representing the International Typographical Union?

Mr. BREEN. And the local union; yes, sir.

Senator LONG. You are also the representative of the International Typographical Union in this hearing. I want to get it in the record.

Mr. BREEN. Yes.

This is on the letterhead of the New Orleans Typographical Union, addressed to me as an attorney in Washington.

(The witness thereupon read a letter on the letterhead of New Orleans Typographical Union No. 17, dated March 31, 1934, signed Henry Flach, secretary, and Edward L. Dauchler, president.)

(The letter follows:)

NEW ORLEANS TYPOGRAPHICAL UNION No. 17,
New Orleans, La., March 31, 1934.

Mr. JOHN N. BREEN,
Attorney and Counselor at Law, Washington, D.C.

DEAR MR. BREEN: You are hereby authorized by New Orleans Typographical Union No. 17 to appear before the Senate Finance Committee and protest against the confirmation of D. D. Moore as collector of internal revenue at New Orleans.

You were secretary of New Orleans Typographical Union No. 17 for 4 years, including December 1914, when the union printers were locked out of the three daily newspapers in New Orleans, and you are familiar with the deplorable conditions it brought about, which still exist in the printing business in New Orleans.

Very truly yours,

[SEAL]

HENRY FLACH, *Secretary.*
EDW. L. DAUHLER, *President.*

Mr. BREEN. Also one from the New Orleans Printing Pressmen's Union. That, I think, is a matter of record already in the record, signed by the proper officers.

And one from the New Orleans Typographical Union. I think that also is a matter of record.

One from the American Federation of Labor——

The CHAIRMAN (interposing). Why put them in the record again, if they are already in?

Mr. BREEN. I do not know that they are. I think they are.

The CHAIRMAN. Mr. Smith appeared here before and he put certain communications in the record respecting these matters.

Senator LONG. If any of these are already in the record, I ask you not to recopy them.

The CHAIRMAN. It is an expense to the Senate, the more we fill up this record with surplusage.

Mr. BREEN. A telegram from the Central Trades and Labor Council, New Orleans and vicinity.

(At this point telegram signed by A. P. Harvey, president, et cetera, dated April 2, 1934, was read.)

The telegram follows:

NEW ORLEANS, LA., April 2, 1934.

JOHN N. BREEN,
Washington, D.C.:

I understand that you are familiar with conditions that surrounded the situation at New Orleans covering the Typographical Union controversy versus D. D. Moore. It my earnest and urgent appeal that you assist in all ways possible Senator Long in the opposing of Mr. Moore's confirmation.

A. P. HARVEY,
President Central Trades and Labor Council, New Orleans and vicinity.

Senator LONG. What authority have you from the International Typographical Union to appear here for them?

Mr. BREEN. The International Typographical Union has here in Washington a representative, Mr. Clyde M. Mills, and Mr. Clyde M. Mills requested me, and he, in turn, had been requested by the president of the International Typographical Union to appear here before this committee.

Senator BARKLEY. Mr. Mills testified in his own right on the former hearing.

Mr. BREEN. I was not here when Mr. Mills testified, if he did testify.

Senator BARKLEY. Well, he did.

Senator LONG. All right. Go ahead, Mr. Breen.

What was Mr. D. D. Moore there in New Orleans there at the time? Just state the case.

The CHAIRMAN. There is nothing new in that proposition. He testified before—

Mr. BREEN (interposing). Mr. Chairman, I believe I can bring out what has not been testified to.

The CHAIRMAN. If you will do it in additional testimony, all right; but the committee is not going to simply have you repeat what you have already testified to, and what is already in the record.

Mr. BREEN. I do not intend to.

Mr. Moore was the managing editor of the Times Picayune.

Senator LONG. What was he before that in the local there?

Mr. BREEN. He was president of the local union.

Senator BARKLEY. That is all in the record.

Senator LONG. I know, but these Senators do not know it.

Senator BARKLEY. The Senators who were not here will have to read the testimony, and they will read both hearings, if they read any of it.

Mr. BREEN. Mr. Moore rose by gradations to the position of managing editor.

The CHAIRMAN. You need not state that, because that has already been gone over. It was gone over by you.

Here is your testimony. If you have anything additional, you may testify to that.

Mr. BREEN. If you will let me lay the sentence so that I can make the connection, I will bring in evidence that I have not testified to, and which is very pertinent to the character and to everything connected with the qualifications of Mr. Moore.

The CHAIRMAN. Let the committee have it.

Mr. BREEN. Mr. Moore was raised by gradations to the managing of the paper. He had been president of the union. He used his knowledge as president of the union to the detriment of the union in his lockout.

Mr. Moore, in his statement to the committee, stated that he was acting as an employee of the paper, and that the board of directors had ordered the lockout, and he did nothing except carry out his orders.

Mr. Moore, as president of the typographical union, takes an oath that he would support the laws of the union and abide by the will of the majority, and will not see a member wronged. As a matter of principle, it was his duty to have advised the concern that he was working for, that they were asking him to do a dishonorable act in locking out these printers, inasmuch as at that time the Times-Democrat and the Times-Picayune was under the arbitration contract with the International Typographical Union. I have here in my hand a copy of the arbitration contract entered into between the American Newspaper Publishers Association and the International Typographical Union, and individually signed by the various newspapers throughout the country.

The Times-Democrat signed such a contract. This is not the actual contract signed by the Times-Democrat, but it is one similar to that signed by the Times-Democrat.

Under the provisions of that contract, it is provided in section 4: The CHAIRMAN. Has that not been put into the record?

Mr. BREEN. Not that I remember. I has not been put in by me. (The witness thereupon read sections 4, 5, and 6 of the International Arbitration Agreement.) Sections 4, 5, and 6 are as follows:

INTERNATIONAL ARBITRATION AGREEMENT

SEC. 4. Subject to the conditions hereinbefore prescribed, every member of the American Newspaper Publishers' Association holding an individual arbitration contract shall have the following guaranties:

(a) He shall be protected against walk-outs, strikes, or boycotts by the members of the union or unions with which he has contractual relation under this agreement and against any other form of concerted interference by them with the usual and regular operation of any of his departments of labor.

(b) In the event of a difference arising between a publisher having an individual arbitration contract and any local union a party thereto, all work shall continue without interruption pending proceedings looking to conciliation or arbitration, either local or international, and the wages, hours or working conditions prevailing at the time the difference arises shall be preserved unchanged until a final decision of the matter at issue shall be reached.

(c) All differences which cannot be settled by conciliation shall be referred to arbitration in the manner stipulated in this agreement.

SEC. 5. All differences arising under an existing written contract, or an oral understanding, which involve the application of the international arbitration agreement, the code of procedure, or any clause or clauses in contracts, or the interpretation to be placed upon any part or parts, of any agreements, which cannot be settled by conciliation, shall be referred to local arbitration if so required by the local contract, but if not, shall be submitted to the chairman of the special standing committee of the American Newspaper Publishers' Association and the president of the International Typographical Union, together with the arguments and briefs of both parties, and an agreed statement of facts in the controversy, accompanied by a joint letter of transmissal, certifying that each party is familiar with the contents of all documents. In case these two officials cannot reach a decision upon the issues involved, their differences shall be submitted to the International Board of Arbitration.

SEC. 6. All differences other than those specified in section 5 of this agreement, including disagreements arising in negotiations for a new scale of wages, or for hours of labor, or in renewing or extending an existing scale, or in respect to a contract, which cannot be settled by conciliation, shall be referred to a local board of arbitration in the manner stipulated in the code of procedure as set forth in exhibit B.

The CHAIRMAN. Mr. Breen, hand that to the reporter. He will put it in the record.

Mr. BREEN. I did not want to read it all. I was only reading the parts pertinent to this particular thing.

The CHAIRMAN. Give it to the reporter, and it will be in the record.

Senator LONG. Mr. Chairman, before you proceed: Had Mr. Moore, as the president of the union, negotiated a contract similar to that for the union?

Mr. BREEN. Yes, sir.

Senator LONG. Go ahead.

Mr. BREEN. Mr. Moore's name appears on the local contract.

Mr. RIGHTOR. This contract, the witness says, is not the original contract.

Mr. Moore tells me that he is firmly of the opinion that the Times Democrat had not signed this contract. It seems to me, as Mr. Moore takes that position, that we ought to have some proof that that was the contract. There is no proof at all. He produces a form here that he knows nothing about.

The CHAIRMAN. Do you know whether or not Mr. Moore, as the representative of the New Orleans Times Democrat, signed the contract?

Mr. BREEN. I was secretary of the union, and I know that all of the newspapers in New Orleans were under that arbitration contract.

The CHAIRMAN. You do not know of your own knowledge whether Mr. Moore signed this particular contract?

Mr. BREEN. I know that all of the contracts signed during that period were signed by Mr. Moore. All of the relations with the typographical union, if they required writing, were signed by Mr. Moore.

The CHAIRMAN. Go ahead.

Mr. BREEN. Under the terms of that arbitration agreement, there was formed a joint standing committee. I was the chairman of that committee, and James M. Thompson of the Item was the secretary of that committee. He delegated his brother, Paul Thompson, to do the actual secretarial work. A controversy did arise in New Orleans.

As I said before, the committee before, on account of the conditions just following the opening of the European war, conditions in the South were deplorable.

The CHAIRMAN. Will you tell us this additional testimony which you did not testify to before?

Mr. BREEN. I am leading up to it.

The CHAIRMAN. You need not lead up to it. You can testify to that, because this committee is going to proceed, and if you want an opportunity to testify to any additional testimony, give it to the committee now.

Mr. BREEN. The publishers declined to submit the controversy which arose under the life of this arbitration agreement to the joint standing committee. The union then complained to the International Typographical Union.

The International Typographical Union then took the matter up with the American Newspaper Publishers Association, complaining that one of their constituents, one of their members, had violated the solemn terms of this contract, and locked the members of the typographical union out. The American Newspaper Publishers Association went on record as condemning the action of the New Orleans publishers, but they had nothing but moral force to persuade them to live up to the terms of their contract, which they refused to do.

The lockout was ordered, homes were broken up, husbands and wives were separated, men committed suicide, and all those things are all susceptible of proof. That is the condition brought about by Mr. Daniel D. Moore. Mr. Moore, as the head of that institution, the Times-Democrat, had a right, if he choose, to be a union man or a nonunion man, and we have no grievance on that score—

The CHAIRMAN (interposing): You are a lawyer, aren't you?

Mr. BREEN. Yes.

The CHAIRMAN. State facts to us, and not argument. The committee will take into consideration the argument—

Senator LONG. Let him state his position, Mr. Chairman. It is only a minute. Go ahead.

Mr. BREEN. I am trying to state facts here. I have not departed from the truth in any detail. I am not making an argument, I am

merely telling you what happened. If I am not to be permitted to say what I want, I cannot say what happened, before the committee.

The CHAIRMAN. Mr. Breen, you testified before, and you gave the committee fully all of the knowledge that you had in your possession.

Mr. BREEN. Evidently the Senator did not understand it, from what I read of the argument on the floor of the Senate.

Senator BARKLEY. Of course——

The CHAIRMAN (interposing). If you have any additional information, give it to the committee, but we have a lot of witnesses here from a distance. You live in Washington, and, for the convenience of these gentlemen, if you have not anything additional, won't you wait until next week, and until we can get through with these other people?

Senator LONG. This witness will be through in less than 5 minutes, and could have been if he had not been interrupted.

The CHAIRMAN. The committee will give you 5 minutes. Proceed.

Mr. BREEN. In my previous statements——

Senator LONG (interposing). Just a minute.

Mr. BREEN. Let me make my statement, and I will get through in 5 minutes.

In my previous statement, I seem to have failed to convince the committee of the fact that Mr. Moore did anything wrong as manager of the employees of that paper. The committee in their statements on the floor of the Senate evidently took the view that Mr. Moore had a perfect right to do what he did. If Mr. Moore was ordered to commit a murder or any other crime, as a lawyer, you know and the committee knows, he would not be justified. He was ordered to do a disreputable thing in breaking a contract with the labor organization at a time which was most unfortunate.

Outside of that we do not object, as was stated by one of the Senators, to a man being a union man or a nonunion man. We have no issue on that question at all. We do object to a man being a member of the typographical union and committing the acts that Mr. Moore has committed.

We have many friends in the printing craft who are not subscribers to what we call trade unionism, who are our friends; but, when a man is a member of the typographical union, and violates the obligations of that union, then we object, and we object to this man in that because he broke this word with the typographical union. He showed that he has not those qualifications to hold this public office, qualifications which we believe are necessary to a public officer. We appear before this committee only in the public interest. We have nothing to do with the political fights in New Orleans.

The CHAIRMAN. All right.

Senator LONG. Mr. Breen, one question: Mr. Moore, you stated, had previously been the president of the typographical union?

Mr. BREEN. Yes.

Senator LONG. Had he in his capacity as president of the typographical union negotiated and signed on behalf of the union contracts with the newspapers similar to this?

Mr. BREEN. Yes. Mr. Moore was president of the typographical union when the first arbitration contract was signed with the Times-Democrat, which thoroughly unionized that composing room, in 1900 or 1901.

Senator LONG. Was this contract here signed, the one that is prevailing, and at that time prevailing throughout the United States?

Mr. BREEN. Yes.

The CHAIRMAN. All right, Mr. Breen.

Senator BARKLEY. Let me ask you this: How long since you have lived in Louisiana?

Mr. BREEN. I left there in October 1915.

Senator BARKLEY. And you came here as an employee of the Government Printing Office?

Mr. BREEN. I worked in the Government Printing Office off and on until 1920.

Senator BARKLEY. Then you became a practicing lawyer?

Mr. BREEN. Yes.

Senator BARKLEY. Of what State are you now a citizen?

Mr. BREEN. I am a citizen of the District of Columbia.

Senator BARKLEY. You are not a citizen now of Louisiana?

Mr. BREEN. No.

Senator LONG. When did you first meet me?

Mr. BREEN. I never saw you, Senator, to speak to, until the previous meeting of this committee a month ago or so.

Senator LONG. One question and I am through. How long did this contract have to run?

Mr. BREEN. It had until April 30, 1917.

Senator LONG. And they locked you out in 1915?

Mr. BREEN. 1914; December 1914.

The CHAIRMAN. Thank you.

Have you any other witness that has been subpoenaed here and is here at the expense of the Government?

Senator LONG. I will wind up here, if you will let me. I think I have nothing from the Home Loan.

I have a witness who will be through in 5 minutes, if you will let me call him. Mr Hushing.

TESTIMONY OF W. C. HUSHING, WASHINGTON, D.C.

(The witness was duly sworn by the chairman.)

Mr. HUSHING. I am the national legislative representative of the American Federation of Labor, Mr. Chairman, and, if I may, I would like to clear up my status before I testify. As you know, I am not subpoenaed, and I am here as a witness for the American Federation of Labor and not as a witness for Senator Long.

When I make that statement it is not with the idea of reflecting on Senator Long in any way, because we are on the friendliest terms, Senator, but we do not want to become embroiled in any of the political controversies that evidently exist in New Orleans.

I believe the committee is pretty well versed with the protests of labor with regard to the appointment of Mr. Moore. I would like to briefly point out the real objections.

Union rules and principles may well be compared to the ethics of a medical association or the American Bar Association, and I feel certain that if a doctor was elevated to the superintendency of a hospital and violated all of the ethics of a medical association, that you would find the members of that association protesting against further advancement for him.

And likewise with a bar association—

Senator HASTINGS (interposing). Would they do that if he were going to leave the profession and engage in some other capacity?

Mr. HUSHING. I believe they would. Men subscribe to the principles of labor organization principally for two reasons:

Because, in the first place, they believe in those principles, or because of the hope of some financial gain.

Now, then, in selecting officers for our organization, we select men who, in our opinion, believe in our principles, and we expect them to go through along those lines.

A man who is elevated to a position which takes him outside of the ordinary workers' ranks cannot throw aside those principles if he really believed in them, and must lay them aside for some other reason. We believe that Mr. Moore did that. Mr. Moore, who has been a member of a labor organization, will realize that we never forget such acts. Any act of that kind is carried from coast to coast and from the Lakes to the Gulf by word of mouth and otherwise, and never forgotten.

As I said in my opening statement, I am here as a representative of the American Federation of Labor, as the result of numerous protests that we have received from our affiliated organizations.

I am not going into the details of the case which Mr. Breen has laid before you, but I do request permission to file in the record the telegrams and letters that Mr. Green has received from our affiliated organizations.

The CHAIRMAN. You have ~~that~~ permission. It has already been in the record. We could not repeat them. A great many were put in the record. [The telegrams and letters referred to are as follows:]

[Telegrams]

NEW ORLEANS, LA., September 16, 1933.

HON. WM. L. GREEN,

President, American Federation of Labor, Washington, D.C.:

Feel it my duty to inform you appointment of D. D. Moore as collector of internal revenue, New Orleans District, will be considered by our entire affiliations as direct insult to labor.

HOLT ROSS,

Representative, American Federation of Labor.

[Telegram]

NEW ORLEANS, LA., September 16, 1933.

HON. WM. L. GREEN,

President, American Federation of Labor, Washington, D.C.:

Understand the name of D. D. Moore is up for consideration as collector of internal revenue for New Orleans District. As president of the central trades and labor council of the city of New Orleans, I wish to protest against the appointment of Mr. Moore, as his record has been very unfair to labor in the past and believe that many men can be selected who can fill this position with honor that have been fair to labor.

JAMES DEMPSEY,

President, Central Trades and Labor Council.

NEW ORLEANS ALLIED PRINTING TRADES COUNCIL,
New Orleans, La., December 14, 1933.

AMERICAN FEDERATION OF LABOR,
Washington, D.C.

GENTLEMEN: The attached letter was sent to Senators of this State, American Federation of Labor, and to the Fort Worth Allied Printing Trades Council.

CONFIRMATION OF DANIEL D. MOORE

Inasmuch as the letter explains everything, we will ask that your body support us in our cause to prevent the appointment of Mr. D. C. Moore to any Federal position of trust.

Thanking you for your cooperation in the past, with kindest regards, we are
Fraternally yours,

E. PRUDHOMME, *Secretary.*

NEW ORLEANS ALLIED PRINTING TRADES COUNCIL,
New Orleans, La., December 14, 1933.

AMERICAN FEDERATION OF LABOR,
Washington, D.C.

DEAR SIR: At the next session of the United States Senate, we understand that all Federal appointments made during the Senate recess will come before your August body for confirmation.

Mr. D. D. Moore of New Orleans has been appointed to the position of Internal Revenue Collector for this district.

Mr. D. D. Moore has proven himself unfair, not only to organized labor of Louisiana, but to other labor as well; for it is on record that he was instrumental in hiring out-of-town strike breakers here in New Orleans to break a strike on the newspapers.

For this reason, the New Orleans Allied Printing Trades Council requests that you give Mr. Moore's appointment serious consideration before voting him into a permanent position.

With best regards and kind wishes, I am,

Yours sincerely,

E. PRUDHOMME, *Secretary.*

NEW ORLEANS, LA., *January 25, 1934.*

UNITED STATES SENATE,
Washington, D.C.

GENTLEMEN: We, the undersigned, representatives of New Orleans Printing Pressmen's Union No. 26 of the city of New Orleans, do hereby protest against the confirmation of D. D. Moore as collector of internal revenue at New Orleans, due to the fact that he instigated and instituted the yellow-dog agreement system by which he forced to be locked out of employment any and all persons connected with the labor unions in the city of New Orleans, particularly in the plant owned by the Times-Picayune; and that through constant discussion and editorials, he brought about antiunion agitation in New Orleans, which has persisted even to this day and which makes the organized-labor situation in New Orleans one of the most deplorable in the United States.

We are convinced beyond question of a doubt that D. D. Moore is the leader of the yellow-dog contract system in Louisiana.

Respectfully yours,

NEW ORLEANS PRINTING PRESSMEN'S UNION No. 26.
LOUIS SAHUQUE, *President.*
ARTHUR M. RINGE, *Secretary.*

NEW ORLEANS, LA.,
January 27, 1934.

MR. WILLIAM GREEN,
President American Federation of Labor, Washington, D.C.

DEAR BROTHER GREEN: The New Orleans Building Trades Council, in regular session, protests the appointment of one, D. D. Moore, as internal revenue collector of this District.

This D. D. Moore has done more against the labor movement in our State than any man we have had dealings with.

He is a leader in lock-out movements, a champion of yellow-dog agreements and has consistently fought organized labor.

The Council does not care to recommend a man, but ask that you use your good offices to see that a man is appointed who is in harmony with organized labor.

Fraternally yours,

NEW ORLEANS BUILDING TRADES COUNCIL,
WILLIAM RUTH, *President.*

STATEMENT BY F. P. RIPPO, TYPOGRAPHICAL UNION No. 17, NEW ORLEANS, LA.

At the end of the year 1913, or early 1914, no. 17 inaugurated a 5-day week to care for its unemployed members which would not involve 1 penny of additional expense to the publishers. They (the publishers) appealed to the international board of arbitration, claiming a change of working conditions, the international board ordering no. 17 to restore the 6-day week and to proceed to arbitrate the 5-day matter. (Early in 1914 the Times-Picayune consolidated with the Times-Democrat, throwing nearly 100 more printers out of work.) Notwithstanding several meetings were held by the local board of arbitration on other disputes, the publishers would not take up the 5-day week law.

At that time, D. D. Moore was the managing editor of the Times-Picayune, he being one of the three newspaper representatives who forced a lockout on all union printers. This was on December 27, 1914.

A few days prior to the lockout no. 17 received a communication from the publishers requesting that we call a special meeting for 2 p.m., December 27, 1914, at which they would present a communication which would show the way for a settlement of the 5-day controversy. The meeting was called as requested for 2 p.m., but at 1 p.m., or about that time, members of no. 17 attempted to enter the composing room and were met at the front door by what they said were detectives and permission refused to them to go upstairs as was their wont.

These members reported hearing the linotype machines in operation at the time. At the meeting the communication presented by the publishers was such that had it been accepted by no. 17, the international union would have revoked its charter. A committee was appointed to call on Mr. D. D. Moore. Upon arriving at the Times-Picayune, the committee was informed that Mr. Moore was in the composing room and could not see the committee. Strike breakers were imported and members of no. 17 are still locked out of the newspapers of New Orleans.

Although this happened in 1914 the conduct of Mr. D. D. Moore has been such since that time that he is known by union men as being unfriendly to organized labor.

Conservative labor leaders in the city of New Orleans hold the conviction that the lockout on the newspapers, which still employ nonunion labor, was and is responsible for the failure of local unions of all crafts to win strikes in times of great emergency.

Since Mr. D. D. Moore was successful in establishing the employment of nonunion men in the Times-Picayune, employees of this paper, as well as the other papers, have left New Orleans to act as strike breakers in communities where the typographical union was in trouble.

The blow that Mr. Moore dealt to organized labor is such that the labor leaders here cannot forget this tragic betrayal of the workers.

Mr. D. D. Moore, since he dealt this death blow to the organized typographical workers and union labor in general, has done nothing, to my knowledge, to correct the untold damage which he was responsible for. Needless to say, although New Orleans is the largest city in the South, our labor problem here is serious; our wage scales are pitiful.

About 1901, Mr. D. D. Moore was president of local no. 17, typographical union.

F. P. RIPPO.

Sworn to and subscribed before me this 26th day of January 1934.

[SEAL]

IRMA LEVI LOGAN, *Notary Public.*

[Telegrams]

PORTLAND, OREG., *February 22, 1934.*

WILLIAM GREEN,
Washington, D.C.:

Multnomah Typographical Union, Portland, Oreg., protests the appointment of D. D. Moore to the office of internal-revenue collector for the district of New Orleans because of his unfriendly attitude to organized labor. Moore was expelled from the typographical union for ratting.

MULTNOMAH (PORTLAND, OREG.) TYPOGRAPHICAL UNION, No. 58,
A. R. CLAYTON, *President.*

CONFIRMATION OF DANIEL D. MOORE

ALBANY, N.Y., February 22, 1934.

WILLIAM GREEN,
President American Federation of Labor, Washington, D.C.:

Albany Typographical Union urges that you oppose the appointment of D. D. Moore as internal-revenue collector of New Orleans district. He has been expelled for ratting by New Orleans Typographical Union.

ALBANY TYPOGRAPHICAL UNION,
JOHN J. STACK, President.

PORTLAND, OREG., February 22, 1934.

WILLIAM GREEN,
Washington, D.C.:

Portland (Oreg.) Allied Printing Trades Council protests the appointment of D. D. Moore to the office of internal-revenue collector for the district of New Orleans because of his unfriendly attitude to organized labor. Moore was expelled from the typographical union for ratting.

PORTLAND ALLIED PRINTING TRADES COUNCIL,
L. V. COUTURE, President.

SYRACUSE, N.Y., February 23, 1934.

WILLIAM GREEN, Washington, D.C.:

Urge you to do all you can to prevent confirmation by Senate of D. D. Moore for Collector Internal Revenue, New Orleans, La., district.

SYRACUSE TYPOGRAPHICAL UNION,
JOHN E. MCGARY, Secretary.

ATLANTA, GA., February 23, 1934.

FRANK MORRISON,
Secretary American Federation of Labor:

Upon request of New Orleans Typographical Union Atlanta Typographical Union protests against the appointment of D. D. Moore as Internal Revenue Collector for that district.

W. H. GRANT, Secretary.

NEW YORK, N.Y., February 23, 1934.

WILLIAM GREEN,
President American Federation of Labor:

New Orleans Typographical Union through me requests your assistance in objecting to confirmation of D. D. Moore as Internal Revenue Collector. Union record bad.

LEON H. ROUSE.

BALTIMORE FEDERATION OF LABOR,
Baltimore, Md., February 24, 1934.

WILLIAM GREEN,
President American Federation of Labor, Washington, D.C.

DEAR SIR AND BROTHER: By direction of the Baltimore Federation of Labor I herein request that you oppose the confirmation of Mr. D. D. Moore to the position of internal revenue collector for the New Orleans district. This action was based on the fact that he scabbed on Typographical Union, No. 17, which, in our opinion, stamps him as a man unworthy of the high office to which he aspires.

Fraternally yours,

FRANK J. MEEDER,
Secretary Baltimore Federation of Labor.

SHREVEPORT, LA., February 27, 1934.

WILLIAM GREEN,
American Federation of Labor:

Appointment of D. D. Moore as collector of internal revenue for this district inimical to interests of organized labor. This union urges you make strenuous fight against the appointment.

SHREVEPORT TYPOGRAPHICAL UNION, No. 155,
T. B. CARPENTER, *President*.

Senator HASTINGS. Is that policy to never forget and to carry the propaganda from coast to coast, for the purpose of placing the fear of God in men's hearts?

Mr. HUSHING. No, sir.

Senator HASTINGS. What is the purpose?

Mr. HUSHING. It is not propaganda, in the first place. It is the natural result of some act committed by a member or former member of our organization. Men will always remember when they got a dirty deal, and they will talk about it. I have worked in many cities—

Senator HASTINGS (interposing). Is it the policy of your organization never to forgive?

Mr. HUSHING. I would not say that, but the men remember those things. That thing exists in some organizations, of course, which never forgive, and line up along that line.

Senator HASTINGS. I got the impression from your statement that it is the policy of your organization to see that men do not forget those things.

Mr. HUSHING. No; it is not. The men themselves do not forget.

Senator HASTINGS. But didn't you say that that was the policy of the organization?

Mr. HUSHING. I do not think I said it was the policy.

Senator HASTINGS. That the information was sent from coast to coast?

Mr. HUSHING. The information goes from coast to coast. In some instances it is sent. Some organizations publish such matters in their journals.

Senator LONG. Mr. Hushing, can I ask you a question?

Mr. HUSHING. Certainly.

Senator LONG. Had this man not been a member of your organization, negotiating this contract and working on the inside, would there have been any such feeling as that?

Mr. HUSHING. I did not quite get your question.

Senator LONG. If it had not been true that Mr. Moore had been a member of the organization, president of the organization that signed this contract, or one similar to it, and was still a member of it, would the union organization feel so hurt over the situation?

Mr. HUSHING. No.

Senator LONG. You do not think that any organization, bar association, medical association, or any other, would think that a man who was a member of the organization and helped to write their ethics, and then violated them, should be acceptable?

Senator BARKLEY. The witness has already stated. Let me ask you this question: You know nothing personally about Mr. Moore?

Mr. HUSHING. No.

Senator BARKLEY. And you were not familiar with this controversy in New Orleans in 1914?

Mr. HUSHING. No.

Senator BARKLEY. Your information has been conveyed to you by those men who have spoken to you as representing the typographical union in New Orleans?

Mr. HUSHING. By letters and telegrams addressed to Mr. Green.

Senator BARKLEY. If we may assume that after this controversy that occurred and existed for some time, Mr. Moore, for instance, severed his connection with the paper which he represented at the time, and went into another State, for instance, Texas, and in occupying a similar position with a newspaper in that State he employed union labor, and, at the conclusion of his service with that paper, that local typographical union endorsed him and commended him for his attitude toward labor, and he had actually carried some of those who were on strike in New Orleans to Texas and put them to work on the other paper, and that they had endorsed his record in that way, would that have any tendency to soften the feeling that you have about him with reference to this controversy in New Orleans?

Mr. HUSHING. No, sir; I understand what you are getting at. You are referring to the Fort Worth case.

Senator BARKLEY. Yes.

Mr. HUSHING. As I understand it, that was a Hearst paper, and the man in charge of it had absolutely nothing to say as to the policy of the paper in regard to unionism.

Senator BARKLEY. Did it employ union men?

Mr. HUSHING. Yes; but not due to the fact that Mr. Moore was there. It was due to the fact that that is Mr. Hearst's policy, and, of course, he, representing Mr. Hearst, would have to follow those policies.

Senator BARKLEY. Would that same situation exist on a paper in which he occupied a similar situation anywhere else? The newspaper fixes its own policy in a case of that sort.

Mr. HUSHING. If it is an independent paper, yes, but this was not an independent paper.

Senator BARKLEY. If it is a chain paper, then the owner of the chain fixes the policy. In the case of Mr. Hearst, he fixes the policy of all his papers. In the case of the Scripps-Howard, I suppose Mr. Howard or whoever manages it fixes it.

Mr. HUSHING. I understand that.

Senator BARKLEY. And, where there is no chain, the owners of the paper fix their policy in each case.

Mr. HUSHING. Exactly.

Senator BARKLEY. Very well.

The CHAIRMAN. That is all.

Senator HASTINGS. Mr. Chairman, I am sorry, but I want to ask one more question: In order to get your policy, suppose Mr. Moore had never belonged to any union, but had been a newspaper operator, and had some dispute with the union, and had locked them out. Would that be justification for your organization to come here and protest?

Mr. HUSHING. We probably would. The circumstances, of course would govern.

Senator LONG. If they break their word and their contract?

Senator HASTINGS. No; I am putting a case in which he did not belong to any union, that he was operating the newspaper, and he

locked the union out and caused a strike, 20 years ago. Do you think that your organization would come here now and oppose his confirmation?

Mr. HUSHING. It is probable that that is right.

Senator LONG. I have just one question to ask: If he was under a contract in violation of which he had locked them out, you know that they would?

Mr. HUSHING. Yes. I know they would under such conditions.

The CHAIRMAN. Thank you very much. That finishes up?

Senator LONG. One more witness—Mr. Mills—and I am through. I do not think it will take but a minute.

The CHAIRMAN. Mr. Mills, is there any additional information you can give to the committee that you did not give before?

Mr. MILLS. Yes.

The CHAIRMAN. All right, state the additional matter, so that we will not go over the same matter.

TESTIMONY OF CLYDE M. MILLS, WASHINGTON, D.C.

(The witness was duly sworn by the chairman.)

Mr. MILLS. I am a representative of the International Typographical Union.

Senator McADOO. A little louder, please, so we can hear you.

Mr. MILLS. When I appeared before this hearing, before this committee, at the other hearing, I made a general statement in protest. Following my statement, Mr. Moore introduced certain letters in support, or purporting to support his appointment to this position.

The additional evidence I have today is as follows:

The CHAIRMAN. Is it in the form of telegrams that you have received?

Mr. MILLS. They are, yes.

The CHAIRMAN. Can't you put those in the record?

Mr. MILLS. I would just like to make one brief statement in connection with it, so that the committee will understand how it occurred.

The CHAIRMAN. All right.

Mr. MILLS. First Mr. Moore claimed, and put into the record, a letter from C. A. Burton, a representative of the International Typographical Union in Texas, purporting to show that he had received—Mr. Moore had received—the endorsement of Mr. Burton.

One telegram I have here is from Mr. Burton, in which he says that that letter was written at the request of Mr. Moore, and that it merely stated that he had employed union men.

Turn that over to the committee. It is unnecessary for me to put into the record that I have a telegram here from President Charles P. Howard, authorizing me to speak in his behalf.

Senator LONG. The president of what?

Mr. MILLS. President of the International Typographical Union, who expected to be here. I have a telegram here from the president of the Fort Worth Typographical Union, upon my request, as to whether or not the letter given to Mr. Moore at the time the Hearst paper suspended operation, and Mr. Moore ceased his connection there, was the sense of the union.

The letter put into the record was from the members of that one composing room, and I have here, in answer to a telegram from John J. Connelly, president of the Fort Worth Typographical Union, that to my knowledge this union did not and does not recommend D. D. Moore for anything.

I would like to have that put into the record. If it is the desire of the committee, I would be glad to supply the telegrams that went to these people, asking for the reply.

The CHAIRMAN. Let them go into the record.

The papers submitted by Mr. Mills are as follows:

FORT WORTH, TEX., April 6, 1934.

CLYDE MILLS,

*President Columbia Typographical Union No. 101,
Washington, D.C.:*

I understand Dan Moore, of New Orleans, has read into record at Washington a letter purporting to be an endorsement from me. My letter was written at his request and merely stated that he employed union men in his composing room while manager for Hearst here. I could not under any circumstances commend him as being friendly to organized labor due to his opposite attitude in years past in New Orleans.

C. A. BURTON.

Mr. JOHN J. CONLEY,

*President Fort Worth Typographical Union,
Fort Worth, Tex.:*

International Typographical Union in opposing confirmation D.D. Moore for collector internal revenue New Orleans confronted with letter dated 1925 from members Star-Telegram chapel expressing to Moore appreciation for his fair dealings with them while manager of that paper. Does this letter represent the sentiment of your union toward a man who assisted in locking out members of the union in New Orleans in 1914. Was Star-Telegram union or nonunion at time Moore assumed charge and was it owned by Amon Carter? Immediately reply absolutely necessary. Hearings now going on and I am representing President Howard.

CLYDE M. MILLS, *International representative.*

FORT WORTH, TEX., April 6, 1934.

CLYDE MILLS,

Washington, D.C.:

When W. R. Hearst sold the Fort Worth Record, the Record chapel adopted resolutions of thanks to the publishers for fair treatment at that time. D. D. Moore was publisher for W. R. Hearst. To my knowledge this union did not and does not recommend D. D. Moore for anything.

JOHN J. CONLEY, *President No. 198.*

Mr. MILLS. To Mr. Burton, there was no telegram sent. I also asked the secretary of the New Orleans Typographical Union if he could send me a copy of the ultimatum issued to the union at the time this trouble arose, and he wires that Senator Long has two copies. I have no copy of it.

The CHAIRMAN. That might be put in the record, if you have it.

Senator LONG. Mr. Chairman, I looked through my files, to find it, and I think I turned that over to your representative, when he was here, but I will look in my records again.

The CHAIRMAN. All right. If you can find it, it can go into the record.

Mr. MILLS. I want to state, further, that the protest that the typographical union is making is not connected in any manner with the politics of Louisiana. I stated that before, and I want to reiterate

that statement now, that we are protesting this, based entirely on the conditions as they arose in New Orleans in 1914, and that we do not want any testimony that we give here to be construed as being in support of any political faction or any political party in the State of Louisiana or the city of New Orleans.

The CHAIRMAN. Thank you very much.

Senator LONG. Mr. Mills, one question.

Do you understand that the gentlemen, many of them, signing these protests coming from New Orleans and Louisiana, particularly Mr. Dempsey, head of the Central Trades and Labor Council, are political antagonists of mine, as well as those of my friends?

Mr. RIGHTOR. He doesn't know anything about that.

Mr. MILLS. I have no knowledge of my own to that extent.

Senator LONG. That is all, I think.

The CHAIRMAN. All right, Mr. Mills, thank you.

Senator LONG. Mr. Chairman, I can complete what I wish to offer at this time, if I am just—if the record will show, there, that I am given the authority to insert in the record the documents that I placed in the Congressional Record of April 3, 1934.

Senator BARKLEY. What are those documents, Mr. Chairman?

Senator LONG. Extracts from the newspapers.

Senator BARKLEY. Well, they are already in the Record.

The CHAIRMAN. They are in the Record.

Senator BARKLEY. Why put them in this hearing? They have already been printed.

The CHAIRMAN. Why not cite it in the Congressional Record of a certain date?

Senator LONG. I think that would be better, just to state that, by reference. I refer to the several communications printed in the Congressional Record on April 3, 1934.

Mr. MOORE. What are they?

The CHAIRMAN. Well, they are in the Record. All right.

Senator LONG. Mr. Chairman, one word: This is Saturday, and we have just subpoenaed those gentlemen.

The CHAIRMAN. They are subpoenaed to be here Monday morning.

Senator LONG. Yes. The point I am making is that it is more than possible that these gentlemen might have some difficulty, being closed Saturday, and the various officers and homesteads, building-and-loan associations, being closed, I am just taking time by the forelock, in advance, wiring them, asking them to communicate with me at once, if possible, by reason of these institutions being closed, today, to assemble the documents necessary, to come here, and if they should wire me, I want to present it to the committee.

The CHAIRMAN. Well, they have been subpoenaed to be here Monday morning, and I guess they will be here.

Senator BARKLEY. Well, if they are closed, they can open.

Senator LONG. No, they can't. A man takes a key and locks a safe and goes home.

The CHAIRMAN. Let us proceed. Who is the first witness on the other side?

Mr. RIGHTOR. I would ask to be sworn.

TESTIMONY OF EDWARD RIGHTOR, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. My appreciation of the opposition to the appointment of Mr. Moore, outside of the labor matter, is that he is a man that was appointed and suggested by Colonel Sullivan, and his office is under Colonel Sullivan's control. Under those circumstances, I think it is necessary that I should make a statement to the committee of facts within my own knowledge, as to why and how Mr. Moore was suggested to the President for this position.

Congressman Sandlin, about a year and a half ago, came down to New Orleans and stated that the administration in Washington, for reasons that have nothing to do with this situation, was not entirely in harmony with the senatorial representatives from Louisiana, and he said that, as he was out of the State most of the time, he would like to be advised who were the proper men to suggest to the President for various Federal positions in Louisiana. He assembled together ex-Governor Parker, Colonel Sullivan, and myself, and he asked us to make suggestions through him.

We accepted the task and as we were not well acquainted with details of the other parishes or counties in the State, we proceeded in each Congressional district to get one or more gentlemen who would exercise in those congressional districts the same functions that we would exercise in the New Orleans vicinity. We made suggestions to Congressman Sandlin and among those suggestions was Mr. D. D. Moore for collector of internal revenue at New Orleans.

Now, whilst Governor Parker and Mr. Sullivan and Congressman Sandlin were ultimately in harmony with all the names that we suggested, the name of Mr. D. D. Moore did not originate with Colonel Sullivan, but originated with me, from this inspiration. I was then representing Mr. Moore is some litigation that was brought against him. Mrs. Moore came to my office one day and stated that Mr. Moore was a very active man, that since ceasing the newspaper business, he had gone into the real-estate business, and the real-estate business had disappeared, and she wished him to have some position that would occupy him. She had seen that I had recently been appointed by the President, chairman of the Public Works Administration of the State of Louisiana, and thought that I might aid her in that direction. I told her I would, and when we were asked by Congressman Sandlin for suggestions for collector of internal revenue at New Orleans, I suggested primarily, to Colonel Sullivan and to Governor Parker, the name of Mr. D. D. Moore. We consulted other citizens in New Orleans, and we found that a number of them considered Mr. Moore well fitted for the position. We thereupon, either by telephone or by telegraph, communicated the situation to Congressman Sandlin, who, through the proper channels, communicated Mr. Moore's name to the President. The name of Mr. Moore for this position was not primarily suggested by Governor Parker, not by Colonel Sullivan, and not by Mr. Sandlin, but by myself, under the circumstances that I have named.

Now, as for the appointments in Mr. Moore's office, we have seen that men who are appointed to that office have two qualifications—that they stand with us politically, for what we consider is for the benefit of the State; and we see, secondly, that they are qualified and

have the proper standing. I have made a number of suggestions to Mr. Moore for positions in this office. Not only have I made them, Governor Parker made them in two instances, Congressman Sandlin has made them in several instances. In fact, the deputy collector, Mr. Rufus Fontenot, who had formerly been the collector of internal revenue there, was suggested by him. The heads of two other departments were suggested by him. Congressman Montet has suggested two or more. Congressman Dear has suggested two or more. Congressman Wilson has suggested two or more.

In the Sixth Congressional District, where there is no Congressman at present, we being politically allied with Mr. J. Y. Sanders, Jr., who was a candidate for that position, we consulted Mr. J. Y. Sanders as to the men from that district, both as to their personal qualifications and their political qualifications. Many of the men who have been put into that office have either been put in by me, direct, after consulting with Mr. Moore, in some cases, and in some cases not with Mr. Moore, but directly with Mr. Fontenot, and in other cases, when men have come to me, who were better acquainted with Colonel Sullivan than they were with me, I have sent them to Colonel Sullivan with a note that what I knew of this man was favorable, but if he knew more of him than I did to judge the case and act accordingly.

That is my statement, Senator.

The CHAIRMAN. Have you anything else to state?

Mr. RIGHTOR. No, sir.

The CHAIRMAN. What do you know about these particular individuals that worked in Colonel Sullivan's office?

You have heard the testimony here that some of them worked there, and went back to work in the afternoon at Colonel Sullivan's office.

Mr. RIGHTOR. I know this, Senator: There are three people referred to particularly. One is the daughter of a man named Golden, who lives in the fourth ward. She is a graduate stenographer. John Golden talked to me. He is politically very closely allied to us, in a small way, and he said this girl had graduated, I think, as a stenographer, and he asked us if we could get Mr. Moore to give her a position there. I told him to consult the colonel, that I would like to oblige him, and he knew that I would like to oblige "Johnny" Golden, and he would, himself; and this girl, though, had no practical experience, so we told her this:

"Miss Golden, we will tell you what we will do. You work around Colonel Sullivan's office, and get some practical experience there, take letters, do whatever the other stenographer has to do. You won't be paid for it. Times are hard. Colonel Sullivan has cut down his office force, and in 30 days or so, or in 60 days, you will become practically efficient."

So Miss Golden went there and she worked. I have seen her in the office. She worked hard, did the other girl's work free of charge. When she became sufficiently equipped, we recommended her to Mr. Moore, and that was the extent of her connection with Colonel Sullivan's office, that she went there in order to learn this.

Now, as to Miss Meretzky, Miss Meretzky worked for Colonel Sullivan some years ago, maybe 10 or 12 years ago, and there was need for a temporary stenographer down in the office of Attorney General Saint, and she went down there and took this temporary

job. Well, Saint found her so very efficient that she did not get out of there for 6 or 7 years. She remained in there until Attorney General Saint went out of office.

Miss Meretzky was well known to me and to Colonel Sullivan, and she requested work, and we were putting on a drive for members at the Elks, and she took charge of a lot of that stenographic work. Subsequently she worked in Colonel Sullivan's office. She went into the Internal Revenue Department because we knew, and we knew from long experience, that she was very efficient and very competent.

Now, for years, this young lady has been going up to Colonel Sullivan's, after her work, whatever it may be, and she had two motives to go up there. In the first place, Colonel Sullivan had been a great friend of her's. She had a sister who went to work in the home-loan bank. The employees of the home-loan bank, for the past 2 or 3 months, have been working night and day. They work until 10 or 11 o'clock at night. This sister would have to dine downtown, and Pearl would dine with her. Being acquainted with the colonel, they would go over to the colonel's office and meet there, and go out to dinner.

Now, for the other young lady, Miss Evelyn Flattery: Miss Evelyn Flattery has been working around offices that are connected with Colonel Sullivan's office, since she was 15 years old. The Hibernia Homestead, of which he is attorney, and of which his brother is president, is on the ground floor of the building in which he has his office.

In the Homestead, "building and loan society," as they call it in other places, most of the work, after the business of accepting the loan is agreed to, is done in the office of the lawyer and the notary. Colonel Sullivan was both lawyer and notary for this Homestead. The result was that this young lady was as much up in his office as she was down below. She was kind of bookkeeper down there, and subsequently her wages were reduced down there, and she is a girl of poor parentage, as you can see from what her cousin, here, has testified to, and when they cut her salary, in order to supplement her living, she was paid to go into Colonel Sullivan's office in the evening, to make out his checks. She was paid, I think, \$10 a month for it, and she did that work.

It is my impression that she has continued to do that work. Now, she also—she and this Pearl Meretzky—have worked together for years, and been very great friends. They get off at 4 o'clock in the evening, and they go over to that office. Now, I go into Colonel Sullivan's office often. I have seen those girls there in the afternoon. In fact, I saw Pearl last Saturday, 2 weeks ago; and I don't see them doing any work around there. I have never seen it, never seen them doing bookkeeping or stenography or anything else. Maybe I am there at the wrong hour, but I have never seen them actually working in the office, and I don't believe it is so, but I am not qualified to testify on that point.

The CHAIRMAN. Are there any other questions?

Senator LONG. No, sir; not from me.

Mr. RIGHTOR. I might state this, that I have been practicing law 38 years, that I am 60 years old, and that I have known Colonel Sullivan for over 50 years, and I join in the endorsement of his character and his standing, with the other gentlemen. I was at

school with him. I was at college with him. I have been in politics with him, and I have been in politics more against him than with him. I think that in the last 2 years, since the present line-up in the State has occurred, I have been with Colonel Sullivan 100 percent, but for 20 years before that, during the time that he supported Senator Long, I was bitterly opposed to him; and have always been bitterly opposed to Senator Long.

The CHAIRMAN. Well, that is all.

Senator CONNALLY. Colonel Rightor, you have known Mr. Sullivan 50 years?

Mr. RIGHTOR. Yes, sir.

Senator CONNALLY. Well, when you were against him politically, did you learn of any dishonorable acts, or things of that kind, that Colonel Sullivan did?

Mr. RIGHTOR. No. I will tell you, Senator, the worst thing I know about Sullivan: He is the greatest man I ever knew to be deceived by people and to pick up people that are no good. He is no judge of the individual. He is very kind-hearted and very emotional, but he gets into more trouble by picking up people that I have to get rid of.

Senator CONNALLY. Well, what I meant, though, was this: In your political fights with him—of course, when you are alined against a man, if there is anything wrong about him, you are more apt to find it out, probably, than if you are with him; because if you are with him, you do not look for errors in your crowd.

Did you ever know of his doing any dishonorable or criminal act?

Mr. RIGHTOR. No; I never have.

Senator CONNALLY. When you were opposed to him, politically?

Mr. RIGHTOR. I have never known anything against John Sullivan, and I think he has the confidence of the community.

Senator CONNALLY. How about Mr. Moore? How long have you known him?

Mr. RIGHTOR. Mr. Moore? I have been against him more than I have with Sullivan, because I was a follower of Martin Behrman, and not of the Times Picayune, and I have known him for 30 years or more, and I know nothing against Mr. Moore. He associates with the best people there. He belongs to the best clubs there, and he has a highly respected family, and good people in every way.

You know, Senator, Louisiana is a little more peculiar than other States, in this, that we have no party politics. We have nothing but factional politics, and where we have this horrible white primary, down there, and the result is that the arguments during political campaigns consist mostly of calling the other opponent a horse thief, or something else.

The CHAIRMAN. Have you ever run for political office, Mr. Rightor?

Mr. RIGHTOR. The only office I ever ran for I believe was a constitutional convention. Back in 1913 I was elected, cost me \$1,000, and then they concluded not to have it. [Laughter.]

The CHAIRMAN. Any other questions?

Senator COUZENS. Are you the attorney for Mr. Moore and for Mr. Sullivan?

Mr. RIGHTOR. Yes, sir.

Senator COUZENS. Have they both retained you for a particular case?

Mr. RIGHTOR. No, sir; I am paying my own expenses, and they are not paying me 5 cents, and I am doing it purely because I think it is right.

Senator COUZENS. Did you volunteer your services to these gentlemen, or did they ask you to represent them in this hearing?

Mr. RIGHTOR. I volunteered; there was neither a request nor a volunteering. They knew I would come up here and help them out.

Senator COUZENS. Well, how did you make the arrangement to do that? What was the procedure?

Mr. RIGHTOR. Well, Dan Moore would come on over and talk to me about his troubles, and John Sullivan, about his troubles, and gradually I gravitated into the position. [Laughter.]

Senator COUZENS. And so, having taken the position of representing these gentlemen before this committee, you, obviously, would not find any fault with them, would you?

Mr. RIGHTOR. I certainly would, Senator. Under my oath I would tell everything that I knew. I have told you what is the worst I knew about Sullivan. If I knew anything worse than that, I would tell you, too.

Senator LONG. One question, Mr. Chairman.

The CHAIRMAN. All right.

Senator LONG. To carry out the question asked by the Senator from Texas, you and Colonel Sullivan were together in the senatorial campaign of 1930, Long versus Ransdell against Long; you were together in the campaign of 1932, Allen against Leblanc; and in the campaign of the fall of 1932, Overton against Broussard; and were together in the Chicago convention, Long delegation versus Sanders delegation, as I understand it, were you not, Mr. Rightor?

Mr. RIGHTOR. Yes, sir; that is all after you became the dominant figure on the opposite side, and if Sullivan remained on your side, I would have been against him.

Senator LONG. And, unfortunately, the people did not agree with you in those campaigns?

Mr. RIGHTOR. Yes; it is very unfortunate. [Laughter.]

The CHAIRMAN. The committee will be in order.

That is all.

Who is your next witness?

TESTIMONY OF JOHN D. EWING SHREVEPORT, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Ewing, you live in Shreveport, La.?

Mr. EWING. Yes, sir.

Mr. RIGHTOR. You are a son of the late Col. Robert Ewing?

Mr. EWING. Yes, sir.

Mr. RIGHTOR. Who was the owner and editor, the publisher of the New Orleans Times and New Orleans States?

Mr. EWING. Yes, sir.

Mr. RIGHTOR. And national committeeman from Louisiana for many years, are you not?

Mr. EWING. Yes, sir.

Mr. RIGHTOR. Where did you go to college?

Mr. EWING. Virginia Military Institute.

Mr. RIGHTOR. And what has been your career since? Do not be overly modest.

Mr. EWING. Well, that is rather personal, but I finished the Virginia Military Institute as one of the senior cadet lieutenants, captain of the athletic team, one of the major athletic teams, and with the degree of bachelor of science. I was employed by my father in the New Orleans States in 1913, upon graduation. I left the New Orleans States in 1915, as circulation manager, made circulation manager of that paper in 1914, after serving in various departments, mechanical and otherwise.

I removed to Shreveport, La., in 1915, October, with the authority and title of assistant business manager, which I occupied until I enlisted in the first officers' training camp, after having refused a majority from our then Governor Pleasant in the National Guard. I had not served in the National Guard, and I did not think it was fair to the men that had served all those years in that organization, for me, even though I had had capable military training at the West Point of the South, to take their places. I went to the officers' training camp at Fort Root, Ark., and was made a captain.

I was sent to Waco, Tex., where I was made a member of the staff of the Thirty-second Division, from Wisconsin and Michigan. I served on that staff in France, until we hit the front line and upon my request, and the command of General Horn, I was given a company of infantry in the One Hundred and Twenty-eighth Infantry, under then Colonel Turner, of Wisconsin. A couple of week later, Colonel Robert McCoy was made the colonel of the regiment. I served as a company commander in action, and ended the war as an officer of that famous regiment, decorated nine times, the regiment. Personally, I was also decorated for valor on the field.

I returned from France, and father—and again, father, I suppose—made me publisher of his then Shreveport paper, which I have been, ever since, added to by the fact that after his death, although I am one of four brothers and a sister and stepmother, two other of those brothers having served in the Army, one other in action with the famous Third Division, he made me his legal trustee of his properties, and died, April, 3 years ago this month. That position, I have occupied since.

Mr. RIGHTOR. Are you personally acquainted with Mr. Moore?

Mr. EWING. Very well.

Mr. RIGHTOR. What is your estimate of his character and his reputation?

Mr. EWING. I think Mr. Moore is one of the splendid, outstanding citizens of New Orleans. He has been for many years. As you have stated yourself, he is a member of the most exclusive clubs of New Orleans. He has occupied high commercial and honorary offices in New Orleans. I feel that if more appointments were made like Daniel D. Moore and Rene Viosca, not only in New Orleans, but in other States of America, the Government would get much more efficient work than it does.

Mr. RIGHTOR. Are you acquainted with Colonel Sullivan?

Mr. EWING. Very well indeed.

Mr. RIGHTOR. What is your estimate of his character and standing?

Mr. EWING. I can sum it up in one sentence, That my family unanimously, and I concurred in that unanimous wish, knowing Colonel Sullivan as they all knew him all those years, my stepmother, my married sister, my married brothers, that Colonel Sullivan made an active pall bearer at my father's death. He was made so.

Mr. RIGHTOR. Have you ever heard his character reflected on, except in a political controversy?

Mr. EWING. Never; and then, as you say, due to the miserable White primary, factional influence, we often indulge in bitter recriminations against each other.

Mr. RIGHTOR. Mr. Ewing, I am handing you a letter on the letter-head of the Louisiana State Federation of Labor, dated at Shreveport, March 30, and signed by Mr. E. H. Williams, president of the Louisiana State Federation of Labor, and ask if you received that letter, and if it is signed by him, and, if it is, to read it into the record?

Mr. EWING. I received this letter. It is signed by Mr. Williams, and the letter is as follows [reading]:

SHREVEPORT, LA., March 30, 1934.

HON. WILLIAM GREEN,

*President American Federation of Labor,
American Federation of Labor Building, Washington, D.C.*

DEAR BROTHER GREEN: You will remember receiving a communication from me some months ago expressing violent opposition to the confirmation of Daniel D. Moore as collector of internal revenue for the State of Louisiana.

It is not my wish to act unjustly in this matter, and I am afraid that we may be unfair unless a further investigation is made. The facts upon which my original recommendation was made were presented in an ex parte hearing, and Mr. Moore was given no opportunity to explain his side of the case.

The charges against Mr. Moore were based upon action that he took about 20 years ago and I have recently received information that leads me to believe that since that time his record has been favorable to the cause of organized labor.

I hope to complete my investigation within the next few days and will wire you my final opinion.

With kindest regards and best wishes for your continued success, I am,
Yours very truly,

(Signed) E. H. WILLIAMS,
President Louisiana State Federation of Labor.

Mr. RIGHTOR. Mr. Ewing, I am handing you a telegram of April 5, from Shreveport, La., addressed to you at the Mayflower, and ask you to read that telegram into the record.

Mr. EWING (reading):

SHREVEPORT, LA., April 5, 1934.

JOHN D. EWING,

Washington, D.C.:

Following telegram sent this morning to William Green by E. H. Williams, president Louisiana State Federation of Labor. Further reference my letter March 30 information supported by affidavits develops fact that labor record of D. D. Moore is 100 percent with exception of New Orleans trouble which happened 20 years ago. His operation of Fort Worth Record was under complete union shop. Williams was reelected by State Federation yesterday at Monroe.

(Signed) L. A. MAILHES.

L. A. Mailhes, gentlemen, is the business manager of my Shreveport paper, and is in complete control of all of its policies, business, and editorials, during my absence from the city and State.

Senator HASTINGS. You read that telegram, referring to the letter, as March 13.

Mr. EWING. March 30.

Senator BARKLEY. The letter he referred to was March 13?

Mr. EWING. March 30.

Mr. RIGHTOR. Now, Mr. Williams, referred to in this telegram, was president of the Louisiana Federation of Labor, last year?

Mr. EWING. Yes, sir.

Mr. RIGHTOR. And he was reelected at Monroe, La.?

Mr. EWING. Wednesday of this week.

Mr. RIGHTOR. Wednesday of this week?

Mr. EWING. I might say also, gentlemen, that regarding the policies of Mr. William Randolph Hearst, and his labor problems, that all of us publishers have—that I have known of instances, in fact, during Mr. Moore's regime at Fort Worth, as the publisher of his Fort Worth, Tex., paper, that Mr. Hearst has also had strikes in his other newspaper plants, in various labor departments. None of us are free from that, gentlemen. I have had my strikes, before and since my father's death. I have had trouble with various labor organizations, but I employ union men in all of our shops, and referring back to the New Orleans situation, 1914, when I worked on one of those New Orleans papers, my father then owned the Shreveport Times in its entirety, as he did the New Orleans States. Although he was having trouble with the local union in New Orleans, not then or at any time since did he ever have serious trouble with his composing room, either in Shreveport or since in Monroe, La.

Mr. RIGHTOR. Take the witness, Senator Long.

Senator LONG. Have you any telegrams stating that Mr. Moore's record is all right, back in the years preceding the 20 years when this strike occurred? I notice the telegrams read, there, that his record has been 100 percent since this trouble in New Orleans.

Mr. EWING. I have no other telegram.

Senator LONG. You got nothing giving him any clean bill of health?

Senator BARKLEY. I think the telegram read that his record was 100 percent with the exception of the trouble in 1914.

Senator LONG. No; he said since.

Senator BARKLEY. Without reading it.

Senator LONG. Since.

Senator BARKLEY. And that, since that time, it had been?

Mr. EWING. Yes, sir.

Senator BARKLEY. I interpreted the telegram to mean before and since, with the exception of that year.

Mr. RIGHTOR. That is correct, Senator.

Senator LONG. You were elected national committeeman by the convention, I believe, last year, weren't you, Colonel?

Mr. EWING. Yes, sir. I am glad you asked me that question. That was the largest and most widely and the most representative convention ever held in the State of Louisiana, and, gentlemen, it was in protest of actions that Governor Long had taken in appointing a hand-picked delegation of his own. He selected my father at the head of that delegation, as national committeeman, who had retired from that honorable office several years before, and was trying to lead a peaceful life, free from political turmoil, in the last years of his life, and Governor Long appointed him as national committeeman, and issued his proper papers for that office, and issued the word to the public, without his having any knowledge previously of Senator Long's—then Governor Long's—contemplated action. He

was outraged over that action. He had a conference with Governor Long. He was in the position, gentlemen, where he had just sponsored a man for governor, over the rabid protests of his immediate friends and his associates, politically, and in a newspaper way, and members of his family, like me. He was in the position where he had to repudiate—

Senator LONG. Mr. Chairman, I want to get my question answered.

Mr. EWING. You are going to get your question answered. I am leading up to it, Senator.

He was in the position of repudiating this man, who was in the first 2 weeks of his first legislature. He was elected, I think it is conceded by everyone, through his support, newspaper, political standing and otherwise. Then Senator Long—then Governor Long—promised him, and he thought it was well worth the effort, that if he would head that delegation to the Houston, 1928, Convention of the Democratic Party, he would have a law passed by the legislature, then in session, that would make it mandatory, and not only customary, as it had been in the past, for our delegates to be elected by the principal State central caucuses. That bill was introduced. That bill was passed while he was at the Houston convention, and I think that played some part in the protests that were made at that time, in the decision being rendered to the Long-Ewing delegation. I think Senator Clark is familiar, somewhat, with that story.

Senator CLARK. I am extremely familiar with it.

Mr. EWING. Well, to make a long story short, I forget whether it was vetoed or not, or whether it died aborning, without signature, but that law, after passing both Houses of our Louisiana Legislature and, in the meanwhile, the Houston convention having adjourned, died. It never was signed by the Governor.

The CHAIRMAN. Any other questions?

Senator CLARK. Well, Mr. Ewing, since you have brought my name into the thing, the fact of the business is that the Louisiana delegation at the Houston convention in 1928 was elected in precisely the same way, by precisely the same methods that the Louisiana delegation to the Chicago convention in 1932 was elected; isn't that true?

Mr. EWING. Correct.

Senator CLARK. And it is also true that your father turned in at the Houston convention and stoutly fought to have that delegation seated, as being entirely in compliance with the Louisiana practice and law?

Mr. EWING. Correct.

Senator LONG. And that you turned up in Chicago as national committeeman, that it was in defiance of the law?

Mr. EWING. Due entirely, Senator, to the fact that you had your bills passed by your servile legislature, and, as usual, ignored them on that subject.

The CHAIRMAN. Well, let us get away from the convention business.

Senator LONG. That is all.

The CHAIRMAN. And get back to this. Anything else?

Senator HASTINGS. Mr. Chairman, I would like to ask a question.

Mr. EWING. Yes, sir.

Senator HASTINGS. You have stated how well you know Mr. Moore. I would like to inquire whether in your judgment he is the character of a man that would refuse, in this office, to do an improper thing, regardless of who might ask him to do it?

Mr. EWING. I certainly do, sir.

Senator HASTINGS. That is all.

The CHAIRMAN. That is all.

Senator BARKLEY. How long has he been in charge of the office?

Mr. EWING. About four or five months, I would say, maybe a little longer.

Senator BARKLEY. Do you know whether his services up to date have been satisfactory, whether he has made an acceptable collector?

Mr. EWING. I think he has been very satisfactory. That office was in pretty bad shape, from my information, Senator. In fact, the predecessor of Mr. Moore—and he had to make quite a lot of changes. The broom had to sweep a little clean. The previous gentleman that Mr. Moore has succeeded, only this week has been indicted in New Orleans on forty-one counts, for the improper handling of his office.

Senator BARKLEY. By a Federal grand jury?

Mr. EWING. Yes, sir.

Senator BARKLEY. That is all.

The CHAIRMAN. That is all.

Senator LONG. Just a moment. He was indicted, I believe, for soliciting contributions to the Republican Party?

Mr. EWING. I understand there are other charges also, Senator, that will come out later.

Senator LONG. I see, you have an understanding.

Mr. EWING. But I know that the real indictments—yes, I have been informed.

Senator LONG. You also know that that office—were you here the other day when it was testified by a witness about Mr Heyman making some investigations against a Mr. Gay?

Mr. EWING. I was.

Senator LONG. Did you hear the testimony that, after this man had returned and stated that he couldn't find anything against Mr. Gay, that he was moved out of that office, into the home-loan-bank office?

Mr. EWING. I did.

Senator LONG. They also indicted Mr. Gay, a little later, didn't they?

Mr. EWING. So I understand from press dispatches.

Senator LONG. Your paper published the picture?

Mr. EWING. I think he was indicted in New Jersey, though, and not Louisiana.

Senator LONG. No; it was in New Orleans, La.

Mr. EWING. Was it?

Senator LONG. And your paper published the picture, "Long supporter indicted"?

Mr. EWING. That I am not sure of.

Senator LONG. That is all.

The CHAIRMAN. That is all.

What other witnesses?

TESTIMONY OF J. WALKER ROSS, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Ross, you live in New Orleans, have lived there all your life, and you have been in the newspaper business all your life, haven't you?

Mr. Ross. Yes, sir.

Mr. RIGHTOR. And you presently occupy the position of managing editor of the Daily States?

Mr. ROSS. Editor of the New Orleans States.

Mr. RIGHTOR. Are you acquainted with Mr. D. D. Moore, and do you know his reputation in the community?

Mr. ROSS. I have known him for a great many years, and he has always stood very high in that community.

Senator CONNALLY. A little louder.

Mr. ROSS. He has always stood very high in the community.

Mr. RIGHTOR. Have you ever heard anything against him?

Mr. ROSS. Never.

Mr. RIGHTOR. Would you have had an opportunity, if such existed, as the editor of a paper with that circulation?

Mr. ROSS. We certainly would have.

Mr. RIGHTOR. Are you acquainted with Colonel Sullivan?

Mr. ROSS. I have know him for many years.

Mr. RIGHTOR. What is his position in the community?

Mr. ROSS. Excellent.

Mr. RIGHTOR. Have you ever heard him criticized except during the bitternesses of a political campaign?

Mr. ROSS. Only at that time have I ever heard him criticized.

Mr. RIGHTOR. At the time that Governor Long was elected Governor, and was inaugurated, Colonel Ewing, who was the owner of the States, supported him, did he not?

Mr. ROSS. He did.

Mr. RIGHTOR. And so did Colonel Sullivan, did he not?

Mr. ROSS. Yes.

Mr. RIGHTOR. Did you ever have any conferences with Colonel Sullivan, concerning gambling houses in the adjoining parishes?

Mr. ROSS. I did.

Mr. RIGHTOR. Will you state briefly what was said and what you did?

Mr. ROSS. Back in the summer of 1928 there was a great deal of agitation there over the gambling situation, specifically in the contiguous parishes of Jefferson and St. Bernard. The colonel had come to me on a number of occasions and urged me, and wanted me to urge the colonel to start a crusade for suppression of these institutions.

Senator BARKLEY. Who was it came to you now?

Mr. ROSS. Colonel Sullivan.

Senator BARKLEY. And wanted you to urge whom?

Mr. ROSS. Colonel Ewing was the owner of the paper. The Association of Commerce, the Retail Merchants, and various other bodies were agitating for this suppression. I think Governor Long himself had been appealed to and had promised to cooperate with the citizens in the effort to wipe out these dives. Colonel Sullivan and Governor Long, then, and Colonel Ewing and myself were very intimately associated. The colonel came in one night and said——

Mr. RIGHTOR. Colonel who?

Mr. ROSS. Colonel Sullivan.

Mr. RIGHTOR. We have got too many colonels.

Mr. ROSS. I see.

Colonel Sullivan came in, as he had done on repeated occasions, and wanted us to urge the Governor to close both—the institutions in both Parishes. Then he said to me one night, "How would you

like to take a ride down there and see what the deplorable condition is?" So we drove down to St. Bernard. We did not go into the places, but they were all brilliantly illuminated. I think there were five places open at that time. There were hundreds of cars parked around there, and men and women in, coming in and out, so a few Saturday nights after that—that was on August 11—while I was in my office, my city editor came in and said that he had gotten word—

Senator CLARK. August 11 of what year?

Mr. ROSS. 1928. Got a letter from a very trustworthy person, whom he had down at the—in St. Bernard, in the places, the games were in full blast, so he asked me what to do. I said, "Well, the thing to do is to call Governor Long at his hotel and tell him what you know", which he did.

Senator LONG. Who was this, Mr. Ross?

Mr. ROSS. That was Major Crown.

Senator LONG. Crown?

Mr. ROSS. That is right. Major Crown called you, so I should say, between 11 and 12 o'clock, and that night the Governor—I am referring to Governor Long—and Colonel Sullivan came to my rooms at the State office. The colonel said that he thought the Governor ought to attempt to close these places up. I said, "I am fully in accord with that", and the Governor said, "Well, that is just what I am going to do."

Then the Governor said, "Well, how about this military order, this form to the adjutant general?" Colonel Sullivan had been commander of the Louisiana field artillery. I think he was in the Spanish-American War, and was very familiar with the routine. He volunteered to write an order to Adjutant General Fleming, to raid the St. Bernard places, so I handed him some scratch paper, and the Colonel wrote the order. Governor Long took it, read it, and then went to my typewriter and put the order on the typewriter. Then they communicated with Adjutant General Fleming, made an appointment, and left my office to go down to meet him and deliver the order to him. That was the night of the first raid in St. Bernard Parish, that was testified to by Adjutant General Fleming here today.

The CHAIRMAN. Any other questions? All right.

Senator LONG. Your testimony, then, is—you heard General Fleming?

Mr. ROSS. Yes.

Senator LONG. So his testimony about the St. Bernard is correct?

Mr. ROSS. Yes, sir.

Senator LONG. All right, now. That is the last time that we ever wrote any orders in your office, I think.

Mr. ROSS. It was the only time.

Senator LONG. The only time? All right. Now, you know, Mr. Ross, that St. Bernard and Jefferson compete sometimes with one another there? In other words, when those gambling houses are going, they all like to have the business that the other one gets. That is pretty well known, isn't it?

Mr. ROSS. Yes; I guess so. I think that each would like to have a monopoly of it.

Senator LONG. Yes; each wants a monopoly of it?

Mr. ROSS. Yes.

Senator LONG. Right. Now, later on, I extended the raids into Jefferson Parish, didn't I?

Mr. ROSS. Yes, sir.

Senator LONG. And raided down there one night, and arrested a man named F. P. Kriss, didn't I?

Mr. ROSS. I don't think that was in St. Bernard.

Senator LONG. I am talking about in Jefferson.

Mr. ROSS. In Jefferson you did.

Senator LONG. I switched the process, or rather I included Jefferson in it?

Mr. ROSS. Yes, sir.

Senator LONG. You jumped all over me when I raided Jefferson, didn't you, Major, or Colonel?

Mr. ROSS. Well, I do not know about that. This was a written report in the newspapers of what had occurred there.

Senator LONG. Well, no, now, you wrote an editorial, didn't you, "Giving me down in the country", when I started raiding Jefferson?

Mr. ROSS. Well, the only thing, the only reason why we criticized you, Senator, was that it was reported currently by all the papers there, I think, that the troops had been ordered to strip the women.

Senator BARKLEY. To do what?

Mr. ROSS. To strip the women and search them in these institutions.

Senator LONG. Isn't this the fact, that female matrons were authorized to search the women?

Mr. ROSS. Well, I think that might have been done subsequently, but—

Senator LONG. No; on this night—talking about the night. Wasn't Mrs. Kriss—

Mr. ROSS. Well, I mean later in the same night.

Senator LONG. On that night female matrons were assigned to search those women?

Mr. ROSS. Well, we did not know that at that time.

Senator LONG. Yes, sir; and wasn't it a further fact, Major—I believe you are a major? What do we call you?

Mr. ROSS. You call me "Mister," if you will. [Laughter.]

Senator LONG. We have always appointed most of these newspaper editors "colonels" or "majors" on the staffs, I think.

Mr. ROSS. Well, your 3 predecessors did.

Senator LONG. I made Major Crown one of my majors.

Mr. ROSS. You did. That is why I called him major.

Senator LONG. With all your city editors? You have approved my raiding of St. Bernard?

Mr. ROSS. Well, we were in favor of the raiding of both places.

Senator LONG. All right. You approved, when I raided St. Bernard, and I went in there rather high-handed, didn't I?

Mr. ROSS. In St. Bernard?

Senator LONG. And herded them all together, and searched them, didn't I, in St. Bernard?

Senator BARKLEY. Let him answer.

Mr. ROSS. I don't think there was anything down in St. Bernard like that which occurred in Jefferson. I wasn't present, of course.

Senator LONG. Now, Major, they preferred impeachment against me for the raids in Jefferson, didn't they?

Mr. Ross. I think that was included in the specifications; yes.

Senator LONG. How long was it after I raided Jefferson Parish when you and Colonel Sullivan and Colonel Ewing began to "give me down in the country", and advocated my impeachment as Governor of the State?

Mr. Ross. Well, I don't think we advocated your impeachment until the impeachment charges bobbed up in the legislature very suddenly.

Senator LONG. Oh, yes; you were advocating them long before the legislature met.

Mr. Ross. I do not think so. I am not sure.

Senator LONG. But it was all right during the same spring, wasn't it, this raid occurred, according to the newspapers?

Mr. Ross. Well, let me say, about the impeachment, where the raids came in, we did not think that you had the right under the law to go into the parishes and make these raids. We thought it was a legal question.

Senator LONG. Yes, sir. You did not decide, however, that it was illegal for me to go into the parishes and make these raids, until I raided Jefferson?

Mr. Ross. No, sir.

Senator LONG. Well, now, you have previously stated that you thought I ought to raid St. Bernard?

Mr. Ross. No; I told you that we took offense at Jefferson, particularly, on the stories in the manner in which the raid there was conducted.

Senator LONG. I know; but you have just sworn that you didn't think, under the law, that I had a right to make those raids in those parishes. Now, I asked you why you did not think that, when I was raiding St. Bernard?

Mr. Ross. Well, I am not saying what my opinion was.

Senator LONG. I see.

Mr. Ross. I am telling you what they charged in the specifications for your impeachment.

Senator LONG. I see; and you helped along, to try to convict me on those specifications, didn't you, Mr. Ross?

Mr. Ross. We wrote editorials; yes.

Senator LONG. And if you could have done anything to put me out, you would have done it, on that charge, wouldn't you?

Mr. Ross. I believe we were engaged in that.

Senator LONG. Yet I had written the first order in your office, and never had you jumped me, until I arrested Kriss and the gamblers in the parish of Jefferson?

Mr. Ross. Well, we never did want to criticize you for closing the establishments, if you had gone about it in the right—in what we thought was a proper way to do it.

Senator LONG. Now, you were familiar with my campaign, and isn't it a fact that Dr. Maro, who was the sheriff of St. Bernard Parish, and the authorities of St. Bernard, had supported me for Governor?

Mr. Ross. That is true.

Senator LONG. Isn't it a fact that the authorities of Jefferson Parish had fought me for Governor, and we lost Jefferson? Three thousand five hundred votes, that election.

Mr. Ross. Well, that might be true. I do not recall it right now.

Senator LONG. And we carried St. Bernard, my recollection is, four or five hundred votes. Now, I raided the men, first, that had supported me, didn't I?

Mr. Ross. Yes, sir.

Senator LONG. And then whipped back in the vicinity of Jefferson, against the men who had fought me? All right. You heard the testimony. I know you are an honest man, Major, and I believe you will state the truth. I know you will, unless, since you left me, you have changed. [Laughter.] I mean that in good humor.

Mr. Ross. That is all right.

Senator LONG. Major, you heard Mr. John Ewing testify that he thought it was generally accepted that it was through the influences of Col. Robert Ewing that I had been elected Governor of Louisiana. You heard that testimony?

Mr. Ross. I heard it.

Senator LONG. You are familiar with the two campaigns I made for Governor, the one in 1924, the one of 1928?

Mr. Ross. Yes.

Senator LONG. Do you remember the Shreveport Times is located in Caddo Parish?

Mr. Ross. Yes.

Senator LONG. And the Daily States is located in Orleans?

Mr. Ross. New Orleans.

Senator LONG. Yes, sir. Jefferson Parish is a part of the Orleans area, where your Daily States ran, is it not?

Mr. Ross. Yes.

Senator LONG. So is St. Bernard, in Orleans? Do you remember, in 1924, whom you supported for Governor at that time, when Fuqua was elected?

Mr. Ross. Well, that was a primary race.

Senator LONG. Fuqua, Bundchu, and Long?

Mr. Ross. I do not think we supported anybody.

Senator LONG. Yes; you supported Fuqua.

Mr. Ross. No, no. I will tell you what we did. That was the campaign in which the Ku-Klux was the issue.

Senator LONG. Well, now, you will find editorials, where you complimented yourself for supporting Fuqua, if you will look back.

Mr. Ross. Well, I doubt it.

Senator LONG. Oh, yes. I know I am accurate. I know I have a good memory. [Laughter.]

Mr. Ross. This was a triangular campaign.

Senator LONG. Yes.

Mr. Ross. And the issue down there then was the Ku-Klux Klan.

Senator LONG. Yes.

Mr. Ross. We had made a very strong effort to oppose the running of Mr. Bundchu, who was the Lieutenant Governor under Governor Parker, and because we thought the worst thing they could do would be to run a Catholic in this campaign, in the Klux. We thought a Protestant would be the proper candidate to run.

Senator LONG. Yes.

Mr. Ross. So we fought the Bundchu candidacy.

Senator LONG. Yes, sir; but also you—what did you do about it? Did you forget me?

Mr. Ross. Well, now, we were very friendly to you. We were not supporting you, but you said we supported Fuqua.

Senator LONG. You supported me?

Mr. Ross. You were eliminated in the first primary. Then the campaign became between Fuqua and Bundchu.

Senator LONG. And you supported Fuqua very actively, in the second primary?

Mr. Ross. I think so. That is my recollection.

Senator LONG. Now, you know that the Colonel Ewing organization all voted for Fuqua, or were Fuqua supporters, at least?

Senator HASTINGS. Now, Mr. Chairman, this seems to be controversial.

Senator LONG. No; it isn't.

Senator HASTINGS. I do not quite see the point.

Senator LONG. I am just going to contradict Mr. John Ewing's testimony on one point. Now, at least, you did not support me in 1924—at least that much?

Mr. Ross. We were friendly to you, but did not support you. We thought you were an outsider in that campaign.

Senator LONG. I carried Caddo Parish, where the Shreveport Times was operating, in 1924, didn't I; and lost it, when you supported me, in 1928, didn't I, by a thousand votes?

Mr. Ross. I wouldn't like to talk of Caddo. I didn't have that parish in mind. Are you talking about Caddo?

Senator LONG. I will ask you if, in the race of 1924, I did not carry Caddo Parish by 19 votes, and in 1928, when you were supporting me, I lost it by a thousand votes; isn't that your recollection?

Mr. Ross. In Caddo?

Senator LONG. Yes.

Mr. Ross. I do not recall that.

The CHAIRMAN. Senator, let us get away from this.

Senator LONG. I just want to—one more question, to contradict what Mr. John Ewing said. I do not think it would have been relevant, if it had not been said by Mr. John Ewing.

The CHAIRMAN. Well, ask the question, and then let us get away from it.

Senator LONG. All right. Also in 1924, I carried Jefferson Parish by 382 votes, and lost it by 3,500 in 1928, didn't I?

Mr. Ross. That may be true; yes.

Senator LONG. And also, didn't I get as large a percentage of the vote in 1924, in the city of New Orleans, without you, as I did in 1928, with you?

Mr. Ross. I think that was because there were two strong political organizations working there.

The CHAIRMAN. All right, let us proceed to something else.

Senator LONG. All right. That is all. I have no further questions.

Senator HASTINGS. Mr. Chairman, I think one thing this witness testified to is very important, and that is with respect to these raids. I should like to inquire whether the original order, written by Colonel Sullivan, and which was subsequently signed by Governor Long, covered both these parishes, or whether it covered only one?

Mr. Ross. Well, this raid was down to St. Bernard.

Senator HASTINGS. But what did the order cover?

Mr. Ross. The houses in St. Bernard. We didn't have any information that Jefferson happened to be running, that night. The fact possibly is they were closed. I do not know, but the report we got with respect to the houses, they were houses in the lower parish of St. Bernard.

Senator HASTINGS. Was the Jefferson Parish discussed at the time Colonel Sullivan and Governor Long were in your office?

Mr. Ross. No, sir.

Senator HASTINGS. That night?

Mr. Ross. No, sir.

Senator HASTINGS. It was not? Now, do I understand you to say that what your paper complained about was that when they went over to Jefferson County, they insisted upon searching female patrons of those places?

Mr. Ross. That was the report; yes, sir.

Senator HASTINGS. And that is what you complained about?

Mr. Ross. Yes, sir.

Senator HASTINGS. Was that the only thing that you complained about?

Mr. Ross. That is all I remember, because we were very strongly for the suppression in both parishes.

Senator CLARK. Well, was there any difference in the character of the raids in Jefferson Parish and in St. Bernard Parish?

Mr. ROSS. Well, down in St. Bernard, they had just simply gone in there and seized the paraphernalia and the money and so on. Now, up in the other parishes, up in St. Bernard, as I recollect it—

Senator LONG. You mean up in Jefferson.

Mr. ROSS. Up in Jefferson, they were putting people under arrest there, and searching them.

Senator HASTINGS. All right. That is all I have.

Senator BARKLEY. Let me ask you, right on that.

Mr. ROSS. Yes, sir.

Senator BARKLEY. I understand you had a man down at the St. Bernard gambling place from your office?

Mr. ROSS. Yes, sir.

Senator BARKLEY. To find evidence? No use to make raid, unless you got evidence, so you had a man down there who called you up and told you that they were running in full blast?

Mr. ROSS. Yes, sir.

Senator BARKLEY. You told him then to get in touch with the Governor?

Mr. ROSS. Told the city editor in my office to get in touch with the Governor; yes.

Senator BARKLEY. So the Governor was called, Colonel Sullivan was called, and the three of you met?

Mr. ROSS. Well, I did not know that Colonel Sullivan was with Governor Long at that time, or whether they met in my office.

Senator BARKLEY. Well, anyway, the Colonel and the Governor came there?

Mr. ROSS. Yes, sir.

Senator BARKLEY. In response to the information your man had telephoned in to you?

Mr. ROSS. He perhaps had other information. I do not know.

Senator BARKLEY. And the order was made to raid this place where you had been?

Mr. ROSS. Yes, sir.

Senator BARKLEY. And found them operating?

Mr. ROSS. Yes, sir.

The CHAIRMAN. Is that all?

Mr. RIGHTOR. Didn't they beat up the photographers and the reporters for the papers that went down there?

Mr. ROSS. That night; yes; one photographer was beaten up at that time.

Senator LONG. Times-Picayune photographer got hit.

The CHAIRMAN. All right. What is the pleasure of the committee, now?

Senator BARKLEY. Let us get on.

The CHAIRMAN. We will do whatever the committee wishes.

Senator LONG. Let us take a little dinner. Can't we have a little something to eat?

Senator BARKLEY. Let us go on to 1 o'clock.

The CHAIRMAN. We have got to finish.

Senator LA FOLLETTE. Let us run along, and see what progress we can make.

The CHAIRMAN. Do you want to run along a little while, take a recess, and then meet again this afternoon?

Senator CLARK. No.

Senator BARKLEY. Yes.

The CHAIRMAN. Or shall we run along, a pretty late session, and then adjourn until Monday?

Senator CLARK. That is all right.

Senator LA FOLLETTE. I think we ought to clean up as much as we can today.

Senator CLARK. There are members of the committee that have other business to attend to, and I do not think that is a fair proposition to insist upon occupying the whole of the day of recess of the Senate, on this particular business.

Senator LA FOLLETTE. Well, it is six in one and a half a dozen in the other, Senator. You can take up your business next week, whatever you don't get out of the way today.

The CHAIRMAN. If there is no objection, then, we will run to 1:30 and then recess for the day. All right; proceed.

TESTIMONY OF W. D. ROBINSON, PASS CHRISTIAN, MISS.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Robinson, you have been in the business of newspapers all your life, haven't you?

Mr. ROBINSON. Yes, sir; since I was 15 years old.

Mr. RIGHTOR. How old are you now?

Mr. ROBINSON. Sixty-eight.

Mr. RIGHTOR. Sixty-eight? Most of the time around the city of New Orleans?

Mr. ROBINSON. Over 30 years.

Mr. RIGHTOR. Thirty years? Are you personally acquainted with Senator Long?

Mr. ROBINSON. I am.

Mr. RIGHTOR. Were you the manager of the publicity of his campaign for Governor?

Mr. ROBINSON. I was.

Mr. RIGHTOR. It has been testified here by Colonel Bradley and has been disputed by Senator Long, that Colonel Bradley gave Senator Long \$5,000, through Colonel Sullivan, to pay the debts of his campaign. Do you know if that is a fact or not?

Mr. ROBINSON. Yes, sir. It is a fact, as far as I know, and I can tell you. When the campaign closed there were a number of unpaid bills.

Senator HASTINGS. That is strange. [Laughter.]

The CHAIRMAN. Let us have order. You say you were the publicity man?

Mr. ROBINSON. I was publicity manager for Senator Long, who was then candidate for Governor. When the campaign closed there were quite a number of unpaid bills of various kinds all over the State, and Senator Long had personally guaranteed to me, before I took the position, that he would see that all the bills were paid—that sufficient funds were available. The campaign closed the latter part of January—the headquarters were closed. Along in March 1928, the same year, I went to the Roosevelt Hotel to see Senator Long about those bills. The bill collectors were asking me about it—if we could pay them—some of them, and I met him near the Broad Street entrance, and I reminded him of those unpaid bills, and that the bill collectors were annoying me and harassing me, and asked him to do something about it; and then he replied, "I have asked John Sullivan to ask Colonel Bradley for \$5,000." He says, "Will that clear them up?" I says, "It will, as far as my end of it is concerned. I do not know how many more," and he says, "That is all right; send the bill collectors to Colonel Sullivan," which I proceeded to do.

Afterwards, I gave Colonel Sullivan a list of the bills that I knew to be outstanding, and some time in April, I don't remember the exact date, I know I had just come down from Baton Rouge on a trip, and started to his office, and met Colonel Sullivan at Commercial Place, and asked him about those bills. He says, "I got the money from Colonel Bradley, and I will take care of them, and send any more bills up to me."

Senator CLARK. What was Colonel Sullivan's capacity in that campaign?

Mr. ROBINSON. Why, he was just a supporter of Governor Long.

Mr. RIGHTOR. Campaign manager?

Mr. ROBINSON. No; Mr. Carbajal was city campaign manager, but Colonel Sullivan, as a matter of fact, directed the city campaign for Governor Long. That is what happened.

Mr. RIGHTOR. Take the witness.

Senator LONG. Now, Mr. Robinson—

Mr. ROBINSON. Yes, sir.

Senator LONG. Who were those bills?

Mr. ROBINSON. Who were the bills?

Senator LONG. Yes.

Mr. ROBINSON. All kinds of bills.

Senator LONG. Who were they?

Mr. ROBINSON. I do not recall all of them now. There was printing bills, and bills from all sections of the State.

Senator LONG. You say that I guaranteed to you that I was going to pay all the bills?

Mr. ROBINSON. No, you——

Senator LONG. How?

Mr. ROBINSON. What happened was this, Senator Long, since you mention it, there were two propositions that I put up to you. One was, I would accept the position, with the understanding that I would handle it on a strictly professional basis, as a newspaperman, like a lawyer handles a case for a client, and I was not going to be under any obligation to you, or you to me, and you said, "That is perfectly all right." I said, "Second, I am going to have ample funds to pay the expenses of the publicity. I won't undertake it, otherwise." You said, "I will personally guarantee it."

Senator LONG. I guaranteed, then, that I would pay the bills?

Mr. ROBINSON. Yes, sir. You said you would personally guarantee the bills.

Senator LONG. All right. Now, just wait. I am coming along.

Mr. ROBINSON. That is all right. I am ready. I have got some more, here, too.

Senator LONG. Now, isn't it a fact, Mr. Robinson, that in paying the printing bills, that I came to New Orleans, myself, and paid my printing bills in cash, as they delivered me my literature?

Mr. ROBINSON. No, sir.

Senator LONG. Declining——

Mr. ROBINSON. You might have paid some of your bills, but some of the bills were paid through me. You counted out the cash in my office?

Senator LONG. Yes; counted out the cash to you?

Mr. ROBINSON. Yes.

Senator LONG. Counted out the cash to you, and paid for the printing that I was having done, mailed it, and left?

Mr. ROBINSON. No, sir; you did not.

Senator LONG. Did not?

Mr. ROBINSON. I supervised the whole publicity department. You were on the stump.

Senator LONG. Isn't it a fact that I came there, along about the months of October and November, and completed my printing, along about that time, practically all of it, maybe a little let over, and paid up everybody?

Mr. ROBINSON. You mean during the campaign?

Senator LONG. Yes.

Mr. ROBINSON. No, sir.

Senator LONG. Who do you remember was left unpaid?

Mr. ROBINSON. You paid me money from time to time.

Senator LONG. All right. Who do you remember was left unpaid?

Mr. ROBINSON. Why, we gave printing bills to a dozen printing shops.

Senator LONG. It may be you can remember somebody that was left unpaid. I would just like to know who you remember that was left unpaid?

Senator HASTINGS. Give him an opportunity to answer.

Mr. ROBINSON. A number of them. We gave bills to the Franklin Printing Co. We gave bills to the Louisiana Printing Co. We gave all around town, a dozen, 15 or more.

Senator LONG. I know, but who was left?

Mr. ROBINSON. Now, since you have mentioned it, there were bills come through the State.

Senator LONG. Wait a minute.

Mr. ROBINSON. Well now, I am telling you the facts.

Senator LONG. All right. Who? Name one.

Mr. ROBINSON. Bills came through from the State, where we had to change up your itinerary, and we had to sometimes get a local job of printing done.

Senator LONG. I want you to name one that was left unpaid.

Mr. ROBINSON. Well-----

Senator LONG. Name me one. Now, you are bound to remember some. Name me one man that was left unpaid.

Mr. ROBINSON. I didn't keep a list of them; no.

Senator LONG. Just name me one.

Mr. ROBINSON. Well, the Louisiana Printing Co. was one of the large printers. I don't know whether they were along the unpaid bills. [Laughter.]

Senator LONG. Don't know whether they were unpaid or not?

Mr. ROBINSON. No.

Senator LONG. Then I said to you—now, you cannot remember who. Now, you state that you came to me along in March?

Mr. ROBINSON. Yes.

Senator LONG. And told me there were some bills unpaid?

Mr. ROBINSON. I told you there were some bills unpaid, and they were harrassing me.

Senator LONG. In the month of March?

Mr. ROBINSON. Yes.

Senator LONG. And that I told you that I had seen Colonel Sullivan?

Mr. ROBINSON. You said that you had asked Colonel Sullivan to request Colonel Bradley for \$5,000. That is what you said.

Senator LONG. Yes. Did I give you to understand that I knew Colonel Bradley?

Mr. ROBINSON. No.

Senator LONG. Did you understand that I didn't know Colonel Bradley at the time?

Mr. ROBINSON. No; I didn't know anything about that.

Senator LONG. Didn't know that?

Mr. ROBINSON. I never met Colonel Bradley at all.

Senator LONG. You heard Colonel Bradley testify on the stand that he only met me once, and that was after he had given me \$5,000?

Mr. ROBINSON. Yes.

Senator LONG. And I told you that I had asked Colonel Sullivan to ask a man that I had never met?

Mr. ROBINSON. I don't know whether you-----

Senator LONG. To give \$5,000 to pay some bills, none of which you can remember?

Mr. ROBINSON. I didn't know whether you had met Colonel Bradley or not.

Senator LONG. You heard Colonel Bradley testify here?

Mr. ROBINSON. I heard him testify.

Senator LONG. And you would at least certify that he is bound to be truthful, wouldn't you?

Mr. ROBINSON. I am not certifying to anybody else's testimony only my own.

Senator LONG. All right. So, what you would say is that I told you that I had asked Colonel Sullivan to see Colonel Bradley, that I had never met, to pay \$5,000 in bills, none of which you can remember?

Mr. ROBINSON. I didn't know whether you had met him or not.

Senator LONG. All right.

Mr. ROBINSON. We had bills due in Baton Rouge, that I had to pay, too.

Senator LONG. Well, name one of them. I want you to name one of them.

Mr. ROBINSON. I do not recall now, there are so many.

Senator LONG. I know you don't recall, and you never will recall one of them.

Mr. ROBINSON. Certainly will. I can do it.

Senator LONG. Now, you were also publicity manager for the Constitutional League, were you not?

Mr. ROBINSON. No, sir. We had no publicity manager.

Senator LONG. What were you, in the Constitutional League?

Mr. ROBINSON. I was assistant secretary and business manager. That is the official title.

Senator LONG. Yes; and the Constitutional League was organized to remove Huey P. Long from office?

Mr. ROBINSON. Organized to stop you in your lawless work down there, now, if you want it.

Senator LONG. Yes. I have been in there a long time since you organized that, haven't I?

Mr. ROBINSON. Well, we stopped you on some. We stopped you on the recall of members of the legislature, whom you started to recall.

Senator LONG. You stopped—yes; you compromised on a recall.

Mr. ROBINSON. Yes.

Senator LONG. But you were carrying out publicity for the Constitutional League?

Mr. ROBINSON. We had no publicity to amount to anything.

Senator LONG. You had what?

Mr. ROBINSON. We had no publicity to amount to anything.

Senator LONG. Phew! [Laughter.]

Mr. ROBINSON. We only issued two or three sets of circulars.

Senator LONG. Well, you are just as certain on that as you are of anything else? Don't you know that you had a statement in that paper, in all those papers—that you practically covered the papers for a period of 10 months, with the Constitutional League?

Mr. ROBINSON. I was talking about circulars.

Senator LONG. Talking about publicity in newspapers, now.

Mr. ROBINSON. Well, when statements were given to a newspaper, they passed through my hands, quite a number of them.

Senator LONG. Yes; about one a day?

Mr. ROBINSON. No, sir.

Senator LONG. How many, ordinarily?

Mr. ROBINSON. Well, probably once or twice a week, there was a formal statement. The newspapers sent men there to get the news every day, and we gave it to them. Sometimes they would get it from me, and sometimes from Governor Parker.

Senator LONG. Well, you were telling everything about me that you knew of, that you could hurt me with, during those days, weren't you?

Mr. ROBINSON. No, sir.

Senator LONG. You were being lied about eh? You were not conducting a campaign to remove me?

Mr. ROBINSON. Mr. Long, I steadfastly refused to say anything during that campaign, concerning your candidacy for governor--when you were a candidate for governor.

Senator LONG. All right. I am asking you, when you were conducting this campaign to remove me from the governor's office, or, as you state, to stop my lawlessness in Louisiana, if you did not make all kinds of charges, of practically every type?

Mr. ROBINSON. I did not.

Senator LONG. Wasn't there a number of newspaper clashes, attacks that I made on Mr. Sullivan, and attacks that Sullivan had made on me, during that time?

Mr. ROBINSON. Yes.

Senator LONG. You nod "yes". All right. Did you or Colonel Sullivan, either at that time or since that time, or at any time before this hearing, ever say a word about \$5,000 being contributed by Mr. Bradley?

Mr. ROBINSON. I said nothing about it during the Constitutional League campaign.

Senator LONG. Did you say anything about it at any time?

Mr. ROBINSON. Yes.

Senator LONG. Up until now? When?

Mr. ROBINSON. I have told a number of people about it in the last year or two.

Senator LONG. The last year or two?

Mr. ROBINSON. Yes.

Senator LONG. Did you ever put it in the paper?

Mr. ROBINSON. No.

Senator LONG. Never did?

Mr. ROBINSON. Do you want to know the reason why?

Senator LONG. You can give the reason why.

Mr. ROBINSON. Well, I have refused to write anything about you for 3 years, because I expected to be called on sooner or later to testify, and I did not propose to discuss my testimony in advance.

Senator LONG. Oh, I see.

Mr. ROBINSON. And I steadfastly refused to write anything for any newspaper or any magazine.

Senator LONG. So, you refused to sell it, and yet you just a moment ago said you told a number of people about it?

Mr. ROBINSON. I said, to write about it. I did not say "discuss."

Senator LONG. Well, was it any more unethical to have written about it?

Mr. ROBINSON. Yes.

Senator LONG. Then to have told other people about it?

Mr. ROBINSON. Indeed it was.

Senator LONG. You told about it, but you did not write about it?

Mr. ROBINSON. I told a number of my friends, in discussing the matter.

Senator LONG. But you were writing various other charges against me all the time?

Mr. ROBINSON. No, sir. I haven't written a single thing for any newspaper or publication.

Senator LONG. When you were with the Constitutional League, you did not write anything?

Mr. ROBINSON. I wrote some statements for the league.

Senator LONG. Yes.

Mr. ROBINSON. Yes.

Senator LONG. Numbers of statements, not only for the league, but many statements that were signed by many other people, did you not?

Mr. ROBINSON. No.

Senator LONG. But you carried on general publicity for the league, in which you were the man handing out the stuff?

Mr. ROBINSON. Well, I gave it out to the newspapers. They sent men around there every day, and they wrote their own matter.

Senator LONG. And what they didn't write, you wrote?

Mr. ROBINSON. No.

Senator BARKLEY. Well, where a Governor is being impeached, the newspapers do not need much of a publicity man to get news on him?

Mr. ROBINSON. No, sir.

Senator LONG. Oh, yes, they needed this one, bad.

Senator BARKLEY. They are looking for it, aren't they?

Senator LONG. They needed this one much worse than they do, because they did not succeed, did they, Mr. Robinson? I stayed there and was elected to the Senate, wasn't I?

Mr. ROBINSON. They did not succeed, because you got 15 persons to sign the petition.

Senator LONG. Yes, sir.

Mr. ROBINSON. And by corrupt methods.

Senator LONG. You are sure it was by corrupt methods?

Mr. ROBINSON. Well, you put nearly everybody on the pay roll, or put jobs in their hands. What else do we call it but corrupt?

Senator LONG. I gave some of my friends some jobs. I am corrupt, eh?

Mr. ROBINSON. And the Supreme Court of Louisiana affirmed a decision, stopping you from putting those members of the legislature on jobs. Why, it is right here, if you want to see it.

Senator LONG. All right, you can put it in the record.

Senator CLARK. Mr. Chairman, what is the materiality of all this whole line of evidence, going to the question of the qualifications of Mr. Moore for the position of collector of internal revenue? I haven't any desire to cut anybody off, but the committee's time is more or less limited.

The CHAIRMAN. Well, do you want this, Senator Long?

Senator LONG. I won't object. You won't find me objecting to anything.

Senator HASTINGS. It is in the report, isn't it?

Mr. RICHMOND. That is the official report. If you will just get the number of the volume, that is all the reference you want.

Senator HASTINGS. The counsel says it is reported in one of the Louisiana law reports.

Senator LONG. Yes.

The CHAIRMAN. So we can save time.

Mr. RIGHTOR. What is the number?

Mr. ROBINSON. This is a carbon copy of the decision, headed "Supreme Court of Louisiana."

Mr. RIGHTOR. Well now, wait one minute.

Mr. ROBINSON. No. 30,373.

Senator LONG. Enjoining three members of the Legislature from acting as lawyers for the highway commission?

Mr. RIGHTOR. I will get a reference to the official report, and give it to the stenographer.

(The citation is as follows:)

Percy Saint, Atty. Gen., et al., *versus* G. K. Allen et al., Supreme Court of Louisiana (No. 30,373)—172 La.Reps. 350; 134 So. 246.)

The CHAIRMAN. All right, put it in, and pass on.

Senator LONG. The corrupt thing you are talking about is, I understand, that three members of the legislature—

Mr. ROBERTSON. I did not say three. I said several of them.

Senator LONG. No, no, it is three, in your decision. I know the case.

Mr. ROBINSON. Yes.

Senator LONG. Three members of the highway commission were enjoined from being lawyers in condemnation proceedings of the highway commission, as I get it.

The CHAIRMAN. Well, I thought they were putting that in the record.

Senator LONG. I thought so, too. That is all right.

The CHAIRMAN. Let us proceed.

Senator LONG. One more question, and I will be through. Now, the Constitutional League carried on a campaign to beat me for the United States Senate, didn't it?

Mr. ROBINSON. No, sir.

Senator LONG. You were not in existence then?

Mr. ROBINSON. The Constitutional League ceased operations—

Senator LONG. When?

Mr. ROBINSON. In July 1930.

Senator LONG. Well, now, didn't the Constitutional League—well, then, you went into the Ransdell campaign, then, didn't you?

Mr. ROBINSON. No, the Constitutional League didn't.

Senator LONG. Did you?

Mr. ROBINSON. I helped handle publicity for the city organization, for about 2 weeks, toward the close of the Ransdell campaign.

Senator LONG. I see, at the conclusion of the Ransdell campaign. The Constitutional League, of course, was vindicated at the polls, I guess, by a handsome majority?

Senator BARKLEY. Well, Mr. Chairman, the result of that election down there is a matter of record.

Senator LONG. Yes, sir; a good record, too.

Senator BARKLEY. Senator Long was nominated and elected over Senator Ransdell. What is the use of pursuing that any further?

Senator LONG. And at that time, Mr. Robinson, you, the three newspapers, the regular organization, Colonel Sullivan and Mr. Parker, and all, were together, and not only were repudiated at the

polls, but you lost two Congressmen in the city of New Orleans, didn't you? And you never told anything about Colonel Bradley, in all that?

The CHAIRMAN. Well, are there any more questions that are pertinent?

Senator LONG. No; I haven't any more.

The CHAIRMAN. Any more questions of Mr. Robinson?

Senator HASTINGS. Mr. Chairman, I would like to ask the witness a question. You have stated that many bills were due, and that you were annoyed by bill collectors, and that you did not get any relief until you were requested to send those bills, some months later, to Colonel Sullivan. Now, Mr. Robinson, isn't it possible for you to remember some of those persons who annoyed you, and to whom you owed money?

Mr. ROBINSON. I remember the printing houses, some of the printing houses.

Senator HASTINGS. Well, but you have been asked directly by Senator Long, several times, and you haven't named one.

Mr. ROBINSON. I said the Louisiana Printing Co. was one of the large printers, and the Franklin Printing Co. was another, and there is one up there on Tchoupitoulas Street. I don't recall the name of it now. There is a dozen or more, and there is one away downtown, that printed our envelopes.

Senator HASTINGS. Well now, are you talking about persons that did the printing for you, or are you now talking about persons to whom you owed money, as late as March of the following year?

Mr. ROBINSON. The bills were—as I recall it, not only printing bills, Senator, but bills for buttons, halls, and bands, and things through the State. On one occasion they sent a big bill down there from Baton Rouge.

Senator HASTINGS. Well, do you know from whom?

Mr. ROBINSON. I was going to say, that was finally paid by the local people. I showed it to Senator Long, and he said, "I am not going to pay that. Make those local people pay it." I sent it back to them.

Senator HASTINGS. Do you mind stating for the record how old you are, Mr. Robinson?

Senator KING. He stated it.

Senator HASTINGS. All right.

Senator KING. Sixty-eight.

Mr. ROBINSON. Sixty-eight, last birthday.

Senator BARKLEY. Now, did I understand you to say—I do not admit it has not anything to do with Moore's qualifications, but it was brought out here—that these were miscellaneous bills?

Mr. ROBINSON. Miscellaneous bills; yes, sir.

Senator BARKLEY. Can you estimate the total amount of them, the bills that were unpaid?

Mr. ROBINSON. On my end of it—I don't know how many more—there was around sixteen or seventeen hundred dollars of the unpaid bills in my department, to be best of my recollection of it.

Senator BARKLEY. What was the range and amount of the bills that you could recall?

Mr. ROBINSON. Well, it varied. Now, for instance, we would have 100,000 circulars printed, the literature—what we called "litera-

ture", or 200,000. The price would depend on the size of the order, you see. We had to circularize-- had to send bills through the State, announcing the itinerary in advance, and those were the smaller bills, see. There is no uniformity in the price at all, excepting the volume of printing.

Senator KING. No; but what the Senator inquired about was, what was the largest bill that was presented to you, before April, when you say that money was received and paid, or at least when it was reported?

Mr. ROBINSON. Well, my recollection is that the largest bill was either by the Franklin Printing Co. or----

Senator KING. Well, how much? How much? I did not ask you by whom.

Mr. ROBINSON. Well, I could not recall that now, it has been so long. It is so long ago. I tried to get it off of my mind as quick as possible.

Senator KING. No, no; but do you remember?

Mr. ROBINSON. No, sir; I don't remember the largest bill.

The CHAIRMAN. All right.

Senator LONG. Now, wait a minute. You say that the largest bill remaining unpaid was of the Franklin Printing Co.?

Mr. ROBINSON. I didn't say that.

Senator LONG. Well, I was just trying to get you to say something. Give us something.

Senator HASTINGS. Evidently he cannot do that.

Senator LONG. I know he can't do that. I know he can't do that.

Mr. ROBINSON. The Franklin Printing Co. was a large printer, so was the Louisiana Printing Co. There was one up on Tchoupitoulas Street. I don't remember the name of it.

Senator HASTINGS. Well, he has named persons who did work for them, but he has been very careful to say that he cannot recollect whether you owed them money or not. He impresses me as a very truthful witness, but I am a little surprised he cannot recall some of those items.

Senator ROBINSON. Well, those bills were scattered--there were so many of them.

Senator LONG. Now, you mentioned hall hire, just a minute ago. Was I to pay the hire of halls?

Mr. ROBINSON. As I said a while ago, we got a bill from Baton Rouge, for the community club, and you refused to pay it, and told me to send it back up there, that the local people should pay it, the local organization, and I sent it back to them, and told them what you said, and I suppose they paid it. I didn't hear anything more about it.

Senator LONG. As a matter of fact, Mr. Robinson, let me refresh your memory. Weren't the bills of my campaign, with the exceptions of the printing that I had done right in New Orleans, and stamps, and New Orleans politics that they ran in the wards, the meetings, which I, of course, except, weren't the bills paid by me from Shreveport, La., where I had my office and my own bank account?

Mr. ROBINSON. I have no knowledge of Shreveport paying any bills from our office. The fact is, we got bills from Shreveport.

Senator LONG. You did?

Mr. ROBINSON. Yes, sir.

Senator LONG. Well, I am sure your memory on that is as accurate as it is on the balance of the matter. Do you remember who that was from?

Mr. ROBINSON. Miss Grosjen sent us that bill. I do not remember what the amount was.

Senator LONG. What bill did she send you?

Mr. ROBINSON. Some printing bill up there, and I turned it over to you, and you said you would take care of it.

Senator LONG. In Shreveport, and I paid it in Shreveport, didn't I?

Mr. ROBINSON. I assume you paid it.

Senator LONG. Yes.

Mr. ROBINSON. The bill came to us at headquarters.

Senator LONG. And they sent you a bill from Shreveport?

Mr. ROBINSON. Miss Grosjen sent a bill to me, to Long headquarters in New Orleans, and I opened the bill and found the bill, and turned it over to you, and you said you would take care of that bill.

Senator LONG. All right.

The CHAIRMAN. All right.

Senator BARKLEY. To whom did you turn over these unpaid accounts?

Mr. ROBINSON. Colonel Sullivan. I made out a list of bills I knew at that time were due, and handed the list to Colonel Sullivan. Later on he told me he had gotten money from Colonel Bradley to pay them—would pay them.

Senator LONG. You did not turn these bills over to me?

Mr. ROBINSON. No. You told me to turn them over to Colonel Sullivan.

Senator LONG. All right. But there was a period of a couple of months, though, after the campaign, you never did turn them over to me?

Mr. ROBINSON. I told you I had them.

Senator LONG. Mr. Robinson, who was our city campaign manager at that time?

Mr. ROBINSON. Mr. Carbajal.

Senator LONG. All right, and who was the State campaign manager?

Mr. ROBINSON. Had none, until around the middle of November.

Senator LONG. And who was, then?

Mr. ROBINSON. You dumped all that detail on me there, to do it, until I protested against it. Here is a letter showing that.

Senator LONG. All right.

Mr. ROBINSON. Do you want that letter?

Senator LONG. I am trying to ask you who became the campaign manager.

Mr. ROBINSON. Mr. Pecot.

Senator LONG. All right, Mr. Charlie Pecot?

Mr. ROBINSON. Yes, sir.

The CHAIRMAN. That is all.

Senator LONG. And Mr. Carbajal was city campaign manager?

Mr. ROBINSON. Yes, sir.

Senator LONG. And you were publicity director?

Mr. ROBINSON. Yes, sir.

Senator LONG. All right.

The CHAIRMAN. That is all, Mr. Robinson.

Who is your next witness now?

TESTIMONY OF D. D. MOORE, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Moore, it is the committee's desire, and I hope you join with the committee as I do, to shorten this as much as possible, and as a result, we do not wish to cover anything, I understand from the chairman, that was in the Senate committee.

The CHAIRMAN. No.

Mr. RIGHTOR. Anything that is in the record.

The CHAIRMAN. Anything that he has testified to before.

Mr. RIGHTOR. Now, you have given me a memorandum here concerning your record as a newspaperman, and so on. That is all in the record, isn't it?

Mr. MOORE. I do not know.

The CHAIRMAN. Yes; that is in the record.

Mr. RIGHTOR. Now, you have with you a number of letters from different prominent people in New Orleans, as to your standing in that community?

Mr. MOORE. Yes, sir.

Mr. RIGHTOR. Will you produce those letters and file them with the clerk?

The CHAIRMAN. They may go in the record. They are merely a matter of character, are they? All right. They can go into the record.

(The letters referred to are as follows:)

Letters tendered by D. D. Moore and signed by—

1. Milton W. Boylan, grand master of Louisiana, saying: "He is a master Mason in good standing of Louisiana Lodge No. 102". Dated March 31, 1934.

2. Donald H. Wattle, rector, Sherwood S. Clayton, curate of Grace Episcopal Church, New Orleans, dated March 20, 1934, saying Mr. Daniel D. Moore "is a communicant in good standing of this parish."

Jackson S. Elliott, assistant secretary, the Associated Press, dated March 31, 1934, saying that D. D. Moore was a director of the Associated Press when he resigned April 24, 1923, when he severed his connection with the Times-Picayune, and that he had twice been elected vice president of the Associated Press previously.

4. L. B. Palmer, general manager of the American Newspaper Publishers' Association, dated March 31, 1934, telling of D. D. Moore's long, active, and useful connection with that organization. "You are held in deep regard and warm friendship by many of your former associates."

5. John X. Wegmann, president New Orleans Association of Commerce, dated February 6, 1934. D. D. Moore, member board of directors 1928, 1929, and 1932; chairman members council, 1 year; chairman industrial bureau, 2 years; "many were employed as a result." Now on finance committee.

6. Pierce Butler, secretary Round Table Club, notifying Mr. Moore that he has been elected treasurer of the Round Table Club.

7. J. K. Ridgely, president the Boston Club, New Orleans, oldest and most exclusive men's club, saying D. D. Moore is "a resident member in good standing."

8. Waldemar E. Metz, M.D., president Orleans Parish Medical Society, dated September 27, 1933, congratulating Mr. Moore on his appointment as collector of internal revenue; "Just a line to congratulate you on a merited selection." Similar letters from two other doctors attached.

9. Brandt V. B. Dixon, president emeritus; Pierce Butler (president), Anna E. Many (dean of women), Esther Finlay Harvey, librarian; all of H. Sophie Newcomb College of Tulane University, dated March 27, 28, and 31, 1934. All highly complimentary and commendatory of Mr. Moore, "You have the respect and admiration of this entire community," says the dean of women.

THE GRAND LODGE OF THE STATE OF
LOUISIANA FREE AND ACCEPTED MASONS,
New Orleans, March 31, 1934.

To whom it may concern:

This is to certify, that the writer has known D. D. Moore, of this city for many years and his standing as an upright, truthful citizen has never been questioned. He is a master Mason in good standing of Louisiana Lodge No. 102.

MILTON W. BOYLAN, *Grand Master.*

MARCH 29, 1934.

The Honorable PATRICK HARRISON,
*Chairman Special Committee of the Finance Committee,
United States Senate, Washington, D.C.*

DEAR SENATOR HARRISON: Mr. Daniel D. Moore, under appointment as collector of internal revenue for the Louisiana district, confirmation in which office is now before the Senate, is a communicant in good standing of this parish.

As such, Mr. Moore is entitled to receive this certificate from the clergy of this parish, testifying to the moral uprightness of his character. We, the rector and curate of Grace Parish gladly hand your honorable committee this certificate.

Respectfully,

DONALD H. MATHEW, *Rector.*
SHERWOOD S. CLAYTON, *Curate.*

THE ASSOCIATED PRESS,
New York, N.Y., March 31, 1934.

Col. D. D. MOORE,
*Care of Mr. Paul Wooton,
National Press Building, Washington, D.C.*

DEAR COLONEL MOORE: I take pleasure in supplying to you from the record a statement of your official connection with the Associated Press.

You were second vice president from April 21, 1914, to April 20, 1915, and first vice president from April 20, 1915, to April 25, 1916. The vice presidencies are honorary positions in our organization and are filled usually for 1 year only.

You were elected a director of the Associated Press April 25, 1922, for a term of 3 years. The records show that you were the member of the Associated Press on behalf of the New Orleans Times-Picayune and as such were eligible for the directorate. You resigned the directorate April 24, 1923, having severed your membership which made you eligible.

Sincerely yours,

JACKSON S. ELLIOTT,
Assistant Secretary.

AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION,
New York, N.Y., March 31, 1934.

Mr. D. D. MOORE,
*Care of Mr. Paul Wooton,
National Press Building, Washington, D.C.*

MY DEAR DAN: It has been many years since we have had the benefit of your advice and counsel in our work, and it speaks well for the quality of that work that most of us still remember with gratitude the many years of service you rendered and the whole-hearted cooperation which you were always ready to extend for the good of the newspaper business as a whole.

Your advice and judgment were so sound and wise that your suggestions were always received with implicit confidence and were given every consideration.

I can honestly say that I know of no one who was more highly regarded or who had the deep respect and confidence not only of this organization but also of practically all of the publishers with whom I have come in contact. During the long period of your activity in the newspaper field you not only made a place for yourself from the business angle but you went much further and cemented many deep friendships which have lasted throughout the years. I, for one, have always been proud of the fact that I have been numbered among your friends.

I am quite sure that if today a poll could be taken of those with whom and for whom you worked for so many years in the newspaper field, the result would be highly flattering, and you might have the feeling that a particularly glowing obituary had been prepared somewhat in advance.

I am sure that you realize that you are held in deep regard and warm friendship by many of your former associates, and that your sagacity and character are held in equally high esteem.

I am sure you will be pleased to know that since your association with us my title has been changed from that of manager to general manager of the A.N.P.A.

Very truly yours,

L. B. PALMER.

ASSOCIATION OF COMMERCE,
New Orleans, February 6, 1934.

To whom it may concern:

This is to certify that Mr. D. D. Moore of this city, was a member of our board of directors during the years of 1928, 1929, and 1932.

He has been chairman of our members' council, which is a cross-section of our entire membership, for 1 year and chairman of the industrial bureau for 2 years. Under his leadership the industrial bureau did a great deal toward the development of manufacturing plants and industries in and around the city of New Orleans. Many were employed as a result.

Mr. Moore is now a member of our finance committee.

During his entire connection with the Association he has always cooperated in everything that has had to do with the best interests of the city.

Very truly yours,

JOHN K. WEGMANN, President.

ROUND TABLE CLUB,
New Orleans, January 20, 1933.

Mr. D. D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: It is a pleasure to be able to call upon one so well qualified as you for membership which has been so long desired by Mr. Stanton.

This is merely formal notice that you have been duly elected Treasurer of the Round Table Club at the annual meeting held on the evening of January 19, 1933.

The books and records of the Club will be turned over to you by Mr. Stanton.

Very truly yours,

FRANK BRYANT, Secretary.

ROUND TABLE CLUB,
New Orleans, March 30, 1934.

Mr. D. D. MOORE,
2519 Calhoun Street, New Orleans, La.

MY DEAR MR. MOORE: I am glad to see of the date instant and in response take pleasure in advising that you are a regular member of this club in good standing in every respect.

Yours very truly,

J. K. RIDGELY, President.

DR. WALDEMAR R. METZ,
New Orleans, September 17, 1933.

Mr. D. D. MOORE,
2519 Calhoun Street, City.

DEAR FRIEND: In the parlance of the Countryman, I was "plumb delighted" to read in the morning's paper of your appointment as collector of internal revenue at New Orleans. This is just a line to congratulate you on a merited selection and to wish you success and luck in the new duties.

Regards to the family,
Joyously yours,

WALDEMAR R. METZ, M.D.

F. E. LAMOTHE, M.D.,
New Orleans, September 28, 1933.

Mr. D. D. MOORE,
2519 Calhoun Street.

DEAR SIR: It may not mean much to you to know that I am made happy and that I offer you my most sincere congratulations on your recent appointment by the Federal Government.

May your success in office be even greater than your success as a fisherman.
Your friend,

F. E. LAMOTHE.

Dr. J. A. GORMAN,
New Orleans.

Just want to congratulate you and wish you well in spite of Huey's talks about you, ha ha, now don't answer this as I know your hands are full on a new job.
Best of luck and health.

An old friend and admirer,

J. A. GORMAN.

H. SOPHIE NEWCOMB MEMORIAL COLLEGE,
THE TULANE UNIVERSITY OF LOUISIANA,
New Orleans, March 27, 1934.

Mr. D. D. MOORE,
New Orleans, La.,

DEAR MR. MOORE: On my return to the city yesterday my attention was called to the vicious attack made upon you by Senator Long in order to defeat your pending appointment.

To those who are acquainted with your record here for the past 25 years the charges made are of course ridiculous and absurd, but to those who do not know they may appear serious.

There are any number of capable witnesses in the city who can dispute, and would gladly refute these reckless assertions against you, who remember your services here as managing editor of our greatest newspaper, as a prominent organizer of the Boy Scouts, the one who initiated the movement to bestow Christmas toys to Negro children, as president of the welfare board, and as librarian in our city library. The statement that you were dismissed from this position for incompetence is deserving only of contempt for the one who uttered it. It is a matter of common knowledge that the board which appointed you was a nonpolitical body and that you were selected as their choice from other competitors; and that you were deposed in order that your position might be given as a reward to another for political services. It is also well understood that in order to effect this, the library which had appointed you, was deposed, a new political board established in its place, all of which appeared to those who witnessed it, as an act of political oppression.

I am sure that there are many good citizens of New Orleans who will gladly testify, with intimate knowledge of the facts, and show how utterly baseless are these charges against you. With confidence that such will be the case, accept my sincere good wishes for your success.

Your friend,

BRANDT V. B. DIXON,
President Emeritus.

THE ROUND TABLE CLUB,
New Orleans, March 27, 1934.

MY DEAR MR. MOORE: Your friends—and in that number will be many plain, decent people—cannot but feel outraged along with you by the unbridled and unprincipled assault upon your good name. Fortunately, we know you. Therefore we are confident that you will not suffer any serious hurt. To those of us who still know the difference between a good man and a bad man, without making any subtle refinement upon those terms, there is no difficulty in choosing between you and Huey Long.

Senatorial immunity is being openly used to permit a treacherous attack upon you. If the Senate condones this it will not gain the respect of any decent person.

Yours sincerely,

PIERCE BUTLER.

New Orleans, La., March 28, 1934.

Mr. D. D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: As a citizen and well wisher of New Orleans, I hope very much indeed that your appointment as collector of internal revenue is ratified by the Senate. We need in the public offices of New Orleans men who will fulfill the duties of their offices with courage, determination, and honesty.

I know that you are such a man and that you have the respect and admiration of this entire community; so I, among countless others, am hoping for your appointment.

Sincerely,

ANNA E. MANY.
Dean of Women at Newcomb College.

H. SOPHIE NEWCOMB MEMORIAL COLLEGE,
THE TULANE UNIVERSITY OF LOUISIANA,
New Orleans, March 31, 1934.

Mr. D. D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: As a rule I never read Senator Long's speeches, but his tirade last Saturday aroused such wide-spread indignation that I read it most carefully.

His charges were so absurd he defeated his purpose, but such accusations, no matter how unfounded, are annoying to the person accused and I thought you might be gratified to know that every one of my varied acquaintances dismisses the whole affair as a ridiculous attack on a man of blameless reputation.

Very truly yours,

ESTHER FINLAY HARVEY.

COLLEGE OF LAW,
THE TULANE UNIVERSITY OF LOUISIANA,
New Orleans, September 26, 1933.

Mr. D. D. MOORE,
New Orleans, La.

DEAR MR. MOORE: I have just been informed over the telephone by a friend down town of your appointment as commissioner of internal revenue by the President of the United States. I wanted to take this occasion to express to you my gratification at your appointment and my very sincere congratulations. I feel that the community was honored by your selection. I have had the great pleasure of knowing you and your sons, one particularly, Brown, as he is presently one of my students in the university, and I am grateful for the friendship that you and your sons have afforded me. I wish for you a very pleasant and successful administration of the duties of your new office.

Sincerely yours,

RUFUS C. HARRIS.

NEW ORLEANS, LA., March 29, 1934.

Hon. D. D. MOORE,
United States Collector of Revenue, New Orleans, La.

MY DEAR MR. MOORE: It is a high privilege for me to appear in writing as a character witness in your behalf in the hearing to take place in the United States Senate regarding the fitness of your nominator to the position of collector of revenue for the port of New Orleans.

It is truly distressing to learn that a decent and respected citizen, a man of unimpeachable character, as I know you to be, should be harassed and tortured by an attempt through insinuation by self-seeking politicians to attack your personal integrity and morality as a basic reason for your removal from the position of librarian of the New Orleans Public Library. Every citizen in New Orleans who knows anything at all about this incident knows that it is simply preposterous. You were removed from this position for political reasons, not for character reasons.

Have I not had the opportunity to know you both as a man and father since your daughter and one of your sons were students in the Isidore Newman School, the latter having been graduated from this school? And have I not had the oppor-

tunity to know you both as a man and citizen in our professional and social relations in the Round Table Club of this city? I can truthfully declare under oath that I never once heard a rumor or a remark or a comment which either directly or indirectly reflected against your personal character.

Trusting, therefore, that you will be successful in securing the confirmation of your appointment as collector of revenue in New Orleans, and confidently believing that right will finally and ultimately prevail, I am, with assurances of personal esteem,

Very sincerely yours,

C. C. HENSON,
Director Isidore Newman School.

NEW ORLEANS ACADEMY,
March 27, 1934.

Mr. D. D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: I regretted greatly to see in the papers that your appointment as collector of internal revenue had been held up as the result of a bitter political partisan attack upon your personal fitness to hold the office.

To the vast majority of Orleanians, to whom you are known as a useful and never-failing public servant, this attack is regarded as so untrue and unwarranted that it suggests to them only the unfair methods of a bitter and unscrupulous political enemy, unworthy of regard.

This note is to advise you that I, though not personally known to you, am too well acquainted with your record of public service in New Orleans to feel that the attack upon you is other than the vicious creation of a vicious mind, and to express the hope that truth may prevail and victory be yours.

With assurances of my respect and esteem, I am,

Yours truly,

R. McC. PERRIN.

SOULÉ COLLEGE,
New Orleans, La., March 28, 1934.

Mr. D. D. MOORE,
New Orleans, La.

DEAR MR. MOORE: As a lifelong citizen of New Orleans, I wish to bear testimony to your general reputation for honesty and square dealing in this community.

I believe your record of good deeds and good works, in the many different lines of public endeavor in which you have been engaged, has been highly honorable to yourself and most satisfactory to the interests you have served.

With all good wishes, I am

Yours very truly,

EDW. E. SOULÉ.

RUGBY ACADEMY,
New Orleans, March 28, 1934.

Mr. D. D. MOORE,
New Orleans, La.

DEAR MR. MOORE: I heard with considerable surprise that Senator Long had said that he caused your removal from the New Orleans Public Library because you were not the proper person to deal with ladies. I have never before heard your character questioned and think it a pity that something cannot be done to stop such statements.

With best wishes for your success, I am,

Yours very truly,

W. E. WALLS.

NEW ORLEANS, LA.,
March 31, 1934.

Hon. PAT HARRISON,
*Chairman Committee on Finance,
United States Senate, Washington, D.C.*

MY DEAR SENATOR: I understand that the nomination of Hon. D. D. Moore of New Orleans to be Collector of Internal Revenue for the District of Louisiana is before your committee, and I sincerely hope that you and your colleagues will favorably report his nomination to the Senate.

CONFIRMATION OF DANIEL D. MOORE

The only way any citizen has of judging a man's fitness for public office is by his reputation among his associates of long standing in regard to ability, honesty, and integrity. Ability alone, however, is not enough.

I have known Mr. Moore for a number of years, and although we owe each other nothing and are not close personal friends, I consider him one of the finest gentlemen of my acquaintance. He has always been a leader in civic and moral reforms, and I have never heard his honor, integrity, or the veracity of his word questioned. In fact, I feel that he is one of the outstanding leaders in our city.

Respectfully,

LOUIS R. JAUBERT.

NEW ORLEANS, LA.,
March 31, 1934.

Mr. DANIEL D. MOORE,
New Orleans, La.

DEAR SIR: In view of the present controversy over your attitude toward union labor and out of justice to yourself I wish to say a word in your behalf as a charter member of the International Photo Engravers' Union of North America.

During the term of years that I served as president of that organization, and in which time we operated as a strictly closed shop, you treated us with all the consideration possible. We were always satisfied with our dealings with you and, personally, I wish again to thank you for the courteous way you always received me as a representative of that organization when I served them as secretary.

All agreements made with you were lived up to 100 percent both by yourself and by our organization and the membership always held you in great esteem.

Trusting to the United States Senate and our President Franklin D. Roosevelt to confirm you in the high office you are at present successfully administering, I remain,

Yours truly,

CHARLES J. CONRAD.

CLEVELAND PLAIN DEALER,
March 31, 1934.

Mr. D. D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: A mutual friend of ours writing from New Orleans gave me to understand that there might be some question of the United States Senate confirming your appointment as collector of internal revenue. I can hardly believe this to be true.

After working under you for 20 years on the old Times-Democrat and later on the Times-Picayune, I feel that I know you as well as any man in New Orleans does. I don't know of any man I was ever associated with who was fairer to the rank and file of employees than you. You endeared yourself and earned the nickname amongst the "boys" of "Uncle Dan", because of your generosity and the many kindnesses that you extended to the people who were employed by you.

Certainly there isn't a person in New Orleans that can say anything against your character or honesty. It is beyond me to understand why any question should ever come up about your appointment.

I want you to know that you have my whole-hearted support in this matter, and I sincerely hope that the Senate will see fit to do the fair thing in confirming your appointment. If I can be of any help in any way, please do not hesitate to communicate with me.

Sincerely yours,

J. A. VAN BUREN, *Business Manager.*

NEW ORLEANS, LA.,
March 29, 1934.

Mr. DANIEL D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: I have learned through the press, with a great deal of regret, the unpleasant situation that has arisen relative to the confirmation of your appointment as collector of internal revenue.

Because of an acquaintanceship extending through many years I feel impelled to give expression to my conviction that I believe you to be eminently fitted for the position to which you aspire.

During your connection with the Times-Picayune as manager, I had occasion many times to seek your aid and advice concerning some desired publicity. I remember especially your cooperation in the raising of the Woodrow Wilson Foundation fund, of which I was the local chairman; I also recall your whole-hearted support of the civic project of the ant campaign. In fact, in many ways I found you ready to promote all worthwhile civic, philanthropic, cultural, and educational projects.

At the time of your incumbency as librarian of the city library I sought your help regarding a young woman who desired a position in the library. Although you did not grant my request I remember being impressed by your sense of justice in deciding the matter, and also I carried away from the interview the conviction that you had a fine grasp of your duties as librarian and its cultural possibilities.

I have reason to know that during your term at the public library the patrons of the library were well served and well satisfied with the conduct of your office.

May I express the hope that your difficulties will soon be solved and your appointment confirmed?

Very sincerely yours,

IDA N. FRIEND,
*Former National Democratic Committeewoman
from Louisiana under President Woodrow Wilson.*

CHILD WELFARE ASSOCIATION,
October 23, 1933.

Mr. D. D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: I am genuinely glad to see that some public recognition has come to a man who so thoroughly deserves it.

I hope each year will bring you new opportunity and increasing happiness.

Cordially yours,

MARY L. RAILEY, *Executive Secretary.*

SEPTEMBER 27, 1933.

DEAR MR. MOORE: I cannot tell you how pleased I was to see in the paper about the honor that has been bestowed upon you and which you deserve so signally.

Heartiest congratulations and good wishes. Love to Mrs. Moore.

Yours sincerely,

DOROTHY DIX.

KINGSLEY HOUSE,
New Orleans, La., February 16, 1934.

Mr. D. D. MOORE,
New Orleans, La.

DEAR SIR: Kingsley House wishes you all success in the confirmation by the Senate of your appointment as collector of internal revenue.

Because we recall with pleasure how, when you were editor and manager of the Times-Picayune you always gave us the desired publicity for our work or for appeals for funds for our institution, and were interested in finding employment for our boys, and we count you as our sincere friend.

Yours, with all good wishes,

ELEANOR McMMAIN, *Head Resident.*

GIRL SCOUTS (INC.),
New Orleans, March 27, 1934.

Mr. DANIEL D. MOORE,
New Orleans, La.

DEAR MR. MOORE: I wish it were possible to convey to you something of the indignation which I, in common with many others, feel over the charges recently

preferred against you in Washington in connection with your appointment by the President to the office of internal-revenue collector.

Of course, everyone in New Orleans who knows you, either personally or by reputation, realizes that this attempt to discredit you is merely an unscrupulous effort to gain some political advantage.

Surely every honest, intelligent citizen of New Orleans is aware of your splendid record as librarian. The general and outspoken indignation at the political subterfuge which caused us to lose you as librarian leaves no doubt whatever of the high esteem in which you are held by the decent citizens of this city.

Although the many responsibilities which I have undertaken since I retired from the principalship of Allen School, and especially my work as Girl Scout commissioner of New Orleans leave me little time for general reading, yet I have kept in touch with the library situation through my many readings; and I assure you we look upon the discontinuance of your services to the reading public as a distinct personal loss, as well as grave civic error.

Especially, however, do the friends who have known you, as I have, for many years, and who, consequently, are familiar with your uniform, innate courtesy and high standard of living, resent the criticism leveled at your character as a gentleman. It is appalling that such a thing could happen—that anyone should dare to assail the reputation of one whom we know, not only as a worthy citizen who has given freely of his time and thought to promote the best interests of his city but who is also a conspicuous example of those finer, gentler qualities that distinguish the head of such a splendid family as yours. One wonders if anyone's reputation will be safe in the future.

I hope it will be of some comfort to you to know that you have the continued esteem and good wishes of all fair-minded, intelligently informed peoples who know you and the principles for which you stand. I for one believe that truth will finally prevail, and that the committee of the Senate which is to handle your case will see the situation clearly for what it is and will unhesitatingly decide in the interests of decency and fair play. In the meantime, I am, with all good wishes,

Sincerely yours,

MARIE KRONENBERGER.

NEW ORLEANS, LA., March 26, 1934.

Mr. D. D. MOORE.

MY DEAR MR. MOORE: I see, by the Times-Picayune of New Orleans, that, at the request of Senator Huey P. Long, of Louisiana, your nomination for the position of collector of internal revenue at New Orleans has been referred back to the committee of the Senate that unanimously nominated you, after the Senate had confirmed your nomination; and that certain charges have been made against you with the purpose of defeating your nomination and confirmation to the position for which the committee recommended you.

It has been nearly 40 years since I became acquainted with you when you were a guest in my mother's home. At that time you were engaged in newspaper work. You paid your debts then, as I happen to know. Since that time, your name has frequently appeared in the New Orleans newspapers in more important positions, showing that your ability had been recognized and rewarded.

I hope this letter will be of service to you in correcting any wrong impressions that may have been produced due to misstatements that have been made against you.

Sincerely,

BELLE RANDOLPH VAN HORN.

RAYNE MEMORIAL METHODIST CHURCH,
NEW ORLEANS, LA., April 2, 1934.

The Honorable PAT HARRISON,
Chairman, Senate Finance Committee, Washington, D.C.

MY DEAR SIR: I understand that on Wednesday of this week your committee will consider the President's appointment of Mr. D. D. Moore to the Department of Internal Revenue in New Orleans.

As far as I have been able to learn this appointment was expected, and is generally satisfactory to the citizenship in this section of the country.

If newspaper reports are correct, the fight does not seem to be against Mr. Moore, himself, but against some who were influential in securing his appointment.

If President Roosevelt appointed Mr. Moore because of his fitness for the position, and his general qualifications and character, then this appointment should stand, regardless of personalities involved.

I have not had an intimate acquaintance with Mr. Moore, but the positions of honor and trust he has filled in the city of New Orleans indicate something of the high esteem in which he is held. The many with whom I have spoken, and in whose judgment I have great confidence, express themselves in highest terms concerning the character of Mr. Moore. I believe your committee and the Senate will make no mistake in ratifying the President's appointment of Mr. Moore.

Yours very truly,

W. W. HOLMES.

METHODIST EPISCOPAL CHURCH,
New Orleans, La., February 15, 1934.

Mr. D. D. MOORE,
New Orleans, La.

MY DEAR MR. MOORE: I learned from the papers that your name is up before the Senate for confirmation as internal revenue collector. I covet the privilege to bear testimony to the eminent fitness of your appointment.

There are literally thousands of persons in New Orleans who are interested in you for serving so unselfishly over a long period of years and who are not only anxious for your confirmation but are praying that the Senate may be moved to confirm your appointment which you so much deserve.

I am recalling at this moment your coming to my office and leading in the organization of the Christmas gift fund which has all these years distributed toys to Negro children. I am also reminded of your interest in the Lafon Old Folk's Home and your acceptance of a place on the board. I know full well your interest and work for adequate hospitalization for Negroes in New Orleans.

Your interest in these directions and other enterprises makes your confirmation desirable as an endorsement of your unselfish, sane, and courageous leadership in this city for many years. New Orleans would be honored by your confirmation.

Yours very truly,

R. E. JONES.

NEW ORLEANS, LA., February 10, 1934.

Hon. D. D. MOORE,
Collector of Internal Revenue,
New Orleans, La.

DEAR SIR: I have been advised that your name is before the United States Senate for confirmation of your appointment as collector of internal revenue for the district of New Orleans, by the President of the United States. I hope the United States Senate will confirm your appointment.

I can recommend you as being a high-class type of citizen, who is fair in all of his dealings with all classes of people.

I recall with pleasure the time I acted as chairman of the Christmas Gift Fund that is sponsored by the Times-Picayune of this city, at the time you were editor of that newspaper.

As the editor of the Times-Picayune you showed a broad and liberal mind in dealing with all of the public affairs that came under your observation, and I am sure that all classes of citizens of the State of Louisiana will be delighted to have you confirmed as collector of internal revenue for the district of Louisiana.

Wishing you success, I am, yours very truly,

S. W. GREEN,
Supreme Chancellor Knights of Pythias of North America,
South America, Europe, Asia, Africa, and Australia.

NEW ORLEANS, LA., February 10, 1934.

Hon. D. D. MOORE,
Collector of Internal Revenue, New Orleans, La.

DEAR SIR: As president of the National Association for the Advancement of Colored People, I am glad to recommend you to the United States Senate for confirmation to the position of collector of internal revenue for the district of Louisiana, because you have been always fair and considerate in your dealings

with the colored people of the city of New Orleans during the time you served as editor of the Times-Picayune of this city.

I am sure our racial group will be delighted to have the United States Senate confirm you in the position you now hold.

Wishing you much success, we are,

Yours very truly,

JAS. E. GAYLE,

*President of the National Association for the Advancement
of Colored People, New Orleans Branch.*

NEW ORLEANS, LA., February 7, 1934.

Mr. D. D. MOORE,
United States Customhouse Building, City.

DEAR MR. MOORE: The daily press announces that an effort will be made to defeat confirmation of your appointment as collector of internal revenue for the port of New Orleans. In view of this announcement, I am writing you this personal testimonial, testifying to your eminent fitness and superior qualification from many angles for the position.

Speaking in general, and for those of my own racial group, I wish to state that your record for all the years, whether serving as an outstanding editor, either here or in Texas, or as our city librarian or identified with some great civic movement, sponsored through your own initiative, calling for vision and foresight, or whether in private life, that record has always been one of unselfish service to humanity, regardless of race or color.

Your "works of labor and love" always commanded respect, confidence, and esteem. Verily, they were done oftentimes without "hope of reward"!

Those intrusted with the selection of someone to fill so important a post, to which you have been named, will make no mistake in your appointment.

The business interests in particular and all the people in general, through all the years, know Daniel D. Moore, his sterling traits, business qualities, and Christian character. The appointment, if confirmed, will give entire satisfaction to your many Negro friends of this city and elsewhere.

Success to you!

Yours sincerely,

W. SCOTT CHINN,

President Negro Business League.

Mr. MOORE. May I state one or two of those things? I brought out in those letters the fact that I am a Mason, in good standing; that I am a member of the Episcopal Church, in good standing; that I am in other organizations, in good standing in New Orleans, and that I was twice vice president of the Associated Press, when I was active in newspaper work, and when I left the Times-Picayune I was a director of the Associated Press. I have in those letters a letter from the general manager of the American Newspaper Publishers Association, showing that I was a respected member of this association, and an active one for many years, in whom they had confidence. I have letters from women of New Orleans, showing that I have their respect and confidence and that they are for me in this position. The charge was made on the floor of the Senate that I was unfit to associate with women. I have, among those letters, a letter from the president of the female college in New Orleans, the president emeritus, who has been there since it started, commending me and endorsing me. I have a letter from the present president of that university. I have a letter, a very commendatory letter, from the dean of women of that university, and I have from the women who are in the most active humanitarian works of New Orleans, Kingsly House, which is the Hull House of New Orleans, its manager, who has been there since it started,

commends me; Miss Raily, who is at the head of the Child Welfare Society, commends me.

I might add that I believe that I was president of that organization at one time. I have letters from a doctor who is the president of the Orleans Parish Medical Society, and from business men and women of New Orleans. The letters—I will submit them all for the record.

The CHAIRMAN. All right.

Mr. RIGHTOR. Now, Mr. Moore, at the meeting of the subcommittee there was considerable said in the record already concerning your labor record in New Orleans, in 1914 and subsequently in Fort Worth, Tex. Is there aught that you can add to or subtract from your previous statement?

The CHAIRMAN. Without any repetition of what went into the record before, is there anything new?

Mr. MOORE. In 2 minutes I will cover it. While I had been a member of the typographical union for 15 years I had not worked actively in the business, nor had I been an active member of the union. The statement in the record shows clearly where the responsibility for the strike was and so forth.

I would like to put into the record a report of the vice president of the International Typographical Union, who was in charge of the strike situation at New Orleans, which places the responsibility upon the officers of the typographical union for conditions there. Mr. Walter Barrett, in his report or in a speech made at the international convention following the strike, definitely stated that three efforts to close that strike and to make peace in New Orleans were defeated by members of the typographical union.

The CHAIRMAN. That is not in the record already?

Mr. MOORE. That is not in the record already.

The CHAIRMAN. All right. That may go in the record.

Senator HASTINGS. Is the report that you refer to made shortly after the strike, or just made recently?

Mr. MOORE. It was made at the convention held immediately——

Senator HASTINGS. All right.

Mr. MOORE. The first convention held after the strike.

The CHAIRMAN. All right, Mr. Moore.

Senator LONG. Where is that, Mr. Moore? I would like to see that document.

Mr. MOORE. All right; I have it. You may see it

Senator LONG. I want it now, because I want the union men to be permitted to see it.

Mr. MOORE. There are the letters to which I refer. The matter to which I refer, gentlemen, is taken from the Typographical Journal, volume 47, proceedings of the sixty-first session of the International Typographical Union, September 1915, a supplement, and on page——

The CHAIRMAN. Well——

Mr. MOORE. I will give him the pages of the supplement—the matter to which I refer. The matter to which I refer is on page 72 of the supplement, 72 and 73 of the supplement to the Typographical Union Journal.

The CHAIRMAN. That is in the record, Senator Long. We can look it over.

Senator LONG. Let me have the document, please.

Mr. MOORE. This is a photostatic copy from the Congressional Library [handing document to Senator Long]. I will stand on that, on the fact that the Federation of Labor president of New Orleans withdrew his letter, and that the charge made, that I had worked the printers of Fort Worth for a letter, I wish to submit a telegram I received here today, filed at Memphis last night, the man who was the foreman or mechanical superintendent of the Fort Worth Record when I received that letter.

In regard to D. D. Moore's operations on the Fort Worth Record state as follows: I was superintendent of the Fort Worth Record during D. D. Moore's administration; from the time he arrived until he left, the composing room, the stereotype room, pressroom, and mailing room were 100-percent union. In fact, union printers received an increase in pay during his administration. I was present when chapel passed resolution highly commending Mr. Moore for his kindness and friendship he had shown in his dealing with the union printers on the Fort Worth Record. The resolution was with the unanimous consent of the chapel.

T. D. KING,
*Superintendent of Composing, Room
Commercial Appeal, Memphis.*

I had a further telegram from Mr. King, saying:

Will come to Washington if I can be of any value to you.

I have a letter from Dan Tatum, one of the signers of that note, which I would like to put into the record, which shows definitely and distinctly that the letter was given to me without solicitation, and without a request of any kind.

The CHAIRMAN. All right, put that in the record.

Mr. MOORE. That is all, on the strike.

(The matters referred to are as follows:)

BEAUMONT, TEX., March 29, 1934.

To whom it may concern:

It has come to my notice that a statement was made in the United States Senate that D. D. Moore, former publisher of the Fort Worth Record, had "worked" the printers of the Fort Worth Record chapel to give him a letter telling of the pleasant relations existing between Mr. Moore and the chapel.

If such statement was made in the Senate or elsewhere, it is absolutely false. During Mr. Moore's term as publisher of the Record, the relations existing between he and the printers were at all times cordial, and in view of this fact the chapel voted unanimously to recognize his fairness by giving him a letter of appreciation, signed by all its members. Mr. Moore was not cognizant of this action until asked to appear before the chapel and receive said letter.

As a signer of said letter, I certify the same to be true.

DAN TATUM.

Mr. RIGHTOR. Now, Mr. Moore, an endeavor was made to reflect on your character, due to your connection with the case of Clarence Pierson against the Times-Picayune. Your counsel has dictated into the record references, for the convenience of the committee, to various portions of the opinions of the supreme court, either in the majority, or dissenting opinions. Are you satisfied to rest on these references that were made to the opinions of the supreme court in that case?

Mr. MOORE. As an editor on the staff of the Times-Picayune, news editor, city editor, managing editor, and manager, 28 years, or nearly 25 years, I had one damage suit. The only part I took in that was to stand behind the man who wrote the articles. I was under cross-examination in that case for 2½ hours, as I recall it, by a very astute lawyer in New Orleans; and no charge of perjury has

ever been placed against me, then or since. The supreme court that finally passed on the case was made up of five judges. Two criticized Mr. Leppert, the man who wrote the articles, and two defended him. Mr. Leppert is still alive, still active in works of humanity, in New Orleans, and he can speak for himself. The records of the supreme court will acquit me of the charge of libel.

They acquit me of the charge of perjury, I should say. The effort has been made to make it appear that in some way I perjured myself during that trial.

Senator KING. The suit was an action for libel against the paper?

Mr. MOORE. The suit was an action for damages, a civil action for damages against the newspaper, in 1915, as I recall it.

Senator KING. Because of alleged libelous publication?

Mr. MOORE. Yes. The gist of the decision was that the facts were admitted by the—

Senator KING. The defendant?

Mr. MOORE. No; by the man suing; by attorneys for the gentleman suing, the gentleman who testified here, that the facts were admitted to be true, but that the articles went beyond the bounds; they were colored too much; too much of the personal views of the reporter were put into the articles.

Mr. RIGHTOR. Mr. Moore, you were present when I took the stand and related the history of your appointment. As far as your knowledge goes, do you concur in my statement, or have you anything that differs from it?

Mr. MOORE. The first time the office was mentioned to me, I was informed that you, Mr. Sandlin, Governor Parker, and Mr. Sullivan, together, had agreed that I would be a capable man, and a man available for that position.

Mr. RIGHTOR. Have you, during your incumbency of that office, placed any incompetent person in there, purely for political reasons?

Mr. MOORE. No, sir.

Senator BARKLEY. Or for any other reason?

Mr. MOORE. No, sir. Well, my judgment sometimes has been wrong. I have had to let one or two disappear because they did not do the work, and there has been no hesitancy to separate them from the service.

Mr. RIGHTOR. What was the condition of the office when you took it over?

Mr. MOORE. Best expressed in the word of the officials higher, that it was deplorable.

Senator KING. What was that word? I did not catch it.

Mr. MOORE. "Deplorable."

Senator KING. Well, best expressed in the word of whom?

Mr. MOORE. Deplorable.

Senator BARKLEY. You said, best expressed in the words of those above. Who did you mean—in authority?

Mr. RIGHTOR. Who?

Mr. MOORE. The man who said that was the auditor. He is known as—there is a man—

The CHAIRMAN. He was a representative of the Department?

Mr. MOORE. He represents the Department for five States, and comes around periodically and audits the books, checks up the offices. He is the commissioner—supervisor—the supervisor of that district.

Mr. RIGHTOR. Mr. Moore, Senator Long has called attention to the fact that the number of people working in that office has been materially increased since you have gone in there. That is a fact, is it not?

Mr. MOORE. It is.

Mr. RIGHTOR. What is the reason of that material increase?

Mr. MOORE. The increase in taxes and in the number of taxes to be imposed, new taxes, by the processing taxes, and the liquor law.

Mr. RIGHTOR. How many men were in there when you took the position?

Mr. MOORE. The men and women were 55 in that office when I took office.

Mr. RIGHTOR. How many now?

Mr. MOORE. There are now 85.

Mr. RIGHTOR. How many of them are civil service?

Mr. MOORE. Fourteen.

Mr. RIGHTOR. Were those positions that became vacant due to removal or otherwise, were they filled entirely by Colonel Sullivan, as has been suggested?

Mr. MOORE. No, sir.

Mr. RIGHTOR. Who else made recommendations to you?

Mr. MOORE. Recommendations were made by you, by Governor Parker, by Congressman Sandlin, and other congressmen of the State. Some men were put in there at my suggestion, and some were just because of my selection, and not because of any political reason at all; some, because the assistant collector recommended them for appointment, because he knew of their fitness, having been a former collector, and active in that work for many years.

Mr. RIGHTOR. There was a young lady named Miss Roddy who stated that she was a sister-in-law of your predecessor, Mr. Merrigan, who took the stand, and I stated to the committee that when you took the stand you would produce the official record of Miss Roddy in your office. Will you produce that record?

Mr. MOORE. The file is here. Miss Roddy was in the cashier's cage. She was regarded by the cashier as inefficient. She twice took the civil-service examination as a stenographer-typist. The first examination, her rating was 56.51 percent, as a junior stenographer. That was taken in 1927. In April 1931 she took another examination, civil service, for senior typist, not stenographer, but a typist, and she passed, 76.25. For junior typist, at that time, she passed 84.17. The condition in the office was that there were 2 men in the cashier's cage, and 2 women. One woman opened the mail, and one prepared the list of persons who had paid, whose remittances had been received, in order that a correct account could be kept of every remittance. When the cashier left, in the day, to go to the bank, he had to wait for this report to be completed, and it was often very late, as the reports here will show, because of the inefficiency of his clerk, who was compiling that report. The other trouble was that if the assistant cashier or cashier were ill, it left nobody in the cashier's cage except two women, one an elderly woman, the other Miss Roddy, when the cashier went to the bank for the deposit, to deposit the day's receipts. The result was that with two ladies there, we did not feel it was safeguarded sufficiently. We put a man in her place, a very efficient man. We have since added to that force, but Miss Roddy was not involved in that.

Mr. RIGHTOR. Anything further on that?

Mr. MOORE. That is enough.

Mr. RIGHTOR. Either Mr. Lanoux or Miss Roddy, on the stand, made a statement about an elderly lady that worked in the office for some period of time, having some difficulty over her personal income tax.

Mr. MOORE. The first I had ever heard of it, but I have a letter from the lady, who has been in the service 21 years, who is a very efficient woman.

Mr. RIGHTOR. State the circumstances.

Mr. MOORE. The substance of her letter is that she and her brother had lived in separate houses, that she had been the head of her household, and that she has carried as a dependent:

I have, for 31 years supported in my home a sister, 2 years my senior, now 59 years of age, who was stricken with infantile paralysis at the age of 5, and who has been left a helpless cripple, confined to an invalid chair, and who cannot stand on her feet.

That was her one dependent, and she was the head of the family, and then during the depression—

My brother moved in—

with them, apparently, and he has four children, some of them dependent on him, and they made their reports, each being the head of a family, without any knowledge of the lady, whose back was to him—he was there [indicating], she was here [indicating]. He worked up the case, and said that one of them was not the head of the family, and this lady paid, but she presents a very accurate story of her connection, here, and I would ask that in fairness to her on account of Lanoux's testimony, that that letter go into the record.

The CHAIRMAN. All right. It will go into the record.

(The letter referred to is as follows:)

TREASURY DEPARTMENT,
INTERNAL REVENUE SERVICE,
New Orleans, La., April 5, 1934.

Hon. D. D. MOORE,

Collector of Internal Revenue, Washington, D.C.

DEAR MR. MOORE: The disgraceful statements made against me causes me to address you on this same subject.

One statement made by Mr. P. R. Lanoux in Washington yesterday was to the effect that my brother and I were both single, with no dependents, which I want to fully explain, so you may have an opinion of your own.

I have for 31 years supported in my home a sister 2 years my senior, now 59 years of age, who was stricken with infantile paralysis at the age of 5 and who has been left a helpless cripple confined to an invalid chair, and who cannot stand on her feet.

No one else contributes to her support. I put up board twice each month for her and me. My brother also pays board, likewise one cousin. This boarding house, as I call it, I run myself and do quite a lot of the work at home. I always keep a maid to be with my crippled sister as I have never left her alone in a house for an hour in my whole life. When I am not at work I am with her always. This maid cooks our dinner, and lunch for my sister, the breakfast being prepared by me, before leaving for work. I am compelled to work to support this sister and myself as my brother has all he can do to help those in his own family who are not working and those whose salaries are too small to live on.

My brother is a widower who has 4 children and 2 grand children. He has some of his children depending on him on account of loss of positions during the depression and 1 grandchild that is entirely supported and educated by him.

He pays extra board to feed 2 at our house for 2 years past as he cannot see his own children want. They cannot find jobs to take care of themselves and

hence in making up his 1932 return, having to take care of 3 of his family, he felt as if he was entitled to head of a family for that year and he took it. Many others have done the same. In former years, he took a single man's exemption, and I took head of a family.

Now to explain why all this was brought out by Mr. Lanoux, I will have to go back to when Mr. Merrigan took office. I was disliked, I believe because I was a Democrat and was treated with utmost contempt by Mr. Merrigan and his followers, one of which was Mr. Lanoux. I understand they tried in every way possible to discharge me but failed in this as I came in the Government work July 15, 1918 from the Civil Service list and have always been as faithful in my work as any one could be. No one ever tried to get me out of the service before nor can I understand why now.

Going back to the subject of the returns submitted by my brother and me for the year 1932, I wish to show what treatment I got in my own department. Mr. Lanoux sits directly back of me and he never once turned his chair to ask me in regard to the exemptions claimed by Mr. Seiler and myself, but, instead, he turned it over to the field division to Mr. Harry Siener, deputy collector, who came to me and said Washington had already been consulted and that I owed \$43.64 and asked if I would pay it in installments and I told him "no" that I would get the money and give it to him next morning, also paying the interest due of 96 cents. My receipt is dated July 31, 1933.

My brother was not asked for any additional tax whatever although Mr. Lanoux states that he disallowed both exemptions and that each had to pay \$50 additional tax.

Mr. E. V. Wilson, the supervisor of accounts and collections, was in our office at the time this occurred, or shortly after, and I explained the whole case to him and he said the head of a family was rather hard to decide, but he did not seem to think we had committed any crime and said any one could make a mistake in a return if this was a mistake.

I received no courtesy whatever in regard to the case and I told Mr. Lanoux at the time that I thought a little courtesy could have been extended to me by him in saying something to me before throwing it into the hands of the field division.

As to my not speaking to Mr. Lanoux since, I will state whenever it was necessary to take up any office work with the audit section, I always did so in my usual manner.

I don't know how I could be accused of having Mr. Lanoux demoted for if I stood that high with you, Mr. Moore, I would have asked you to place some of the unemployed in my family in jobs. This, as you know, I never attempted to do or ever will.

I am enclosing paper printed by the Bureau governing returns for 1932 and this is solely what guided me in making the returns. It still looks to me as if the returns were made in accordance with the regulations.

I am sorry to have taken up so much of your time in reading all this but considered it necessary to advise you in the matter.

Thanking you, I am, yours respectfully,

SALOME SEILER.

Senator KING. Is there any controversy as to her having a sister whom she had supported for many years, who was troubled with infantile paralysis?

Mr. MOORE. Not that I know of.

Senator LONG. The controversy was that she paid the tax.

Senator KING. I understand what it is, Mr. Long. I remember the testimony.

Mr. MOORE. In my view, if that lady had been, instead—here was the position at that time. They were doing everything they could to ride that lady out of the organization, and if that lady had not done what she did—she did it because she was afraid, and I believe that if the case were today taken up with the Department, the lady's action would be justified.

Mr. RIGHTOR. Now, Mr. Lanoux has made some complaint because he had been supplanted, in the \$2,700 office job, by Mr. George Kaneo,

and placed in the field, on the \$2,400 job. Have you any comment to make, there, other than the letter that Mr. Lanoux wrote to you, and which is in the record?

Mr. MOORE. Gentlemen, I never asked a man to write an untruth in my life. Mr. Lanoux, in my office, was asked to write the truth. The man who had written me and told me of the facts as stated by Mr. Lanoux, about this letter that I wrote him, was a man who had endorsed Lanoux to me in his letter of congratulation to me, and there was no reason why I should not consider him Mr. Lanoux's friend, the same as my friend, so when I wrote this letter to Lanoux, asking him for an explanation of why the Texas men had become interested in this thing, it was the normal, natural thing.

Mr. Lanoux looked at that letter, and said:

That must have been written by Colonel Bowen, and I will write him a letter, setting him right, and setting you right. That is all wrong, Mr. Moore.

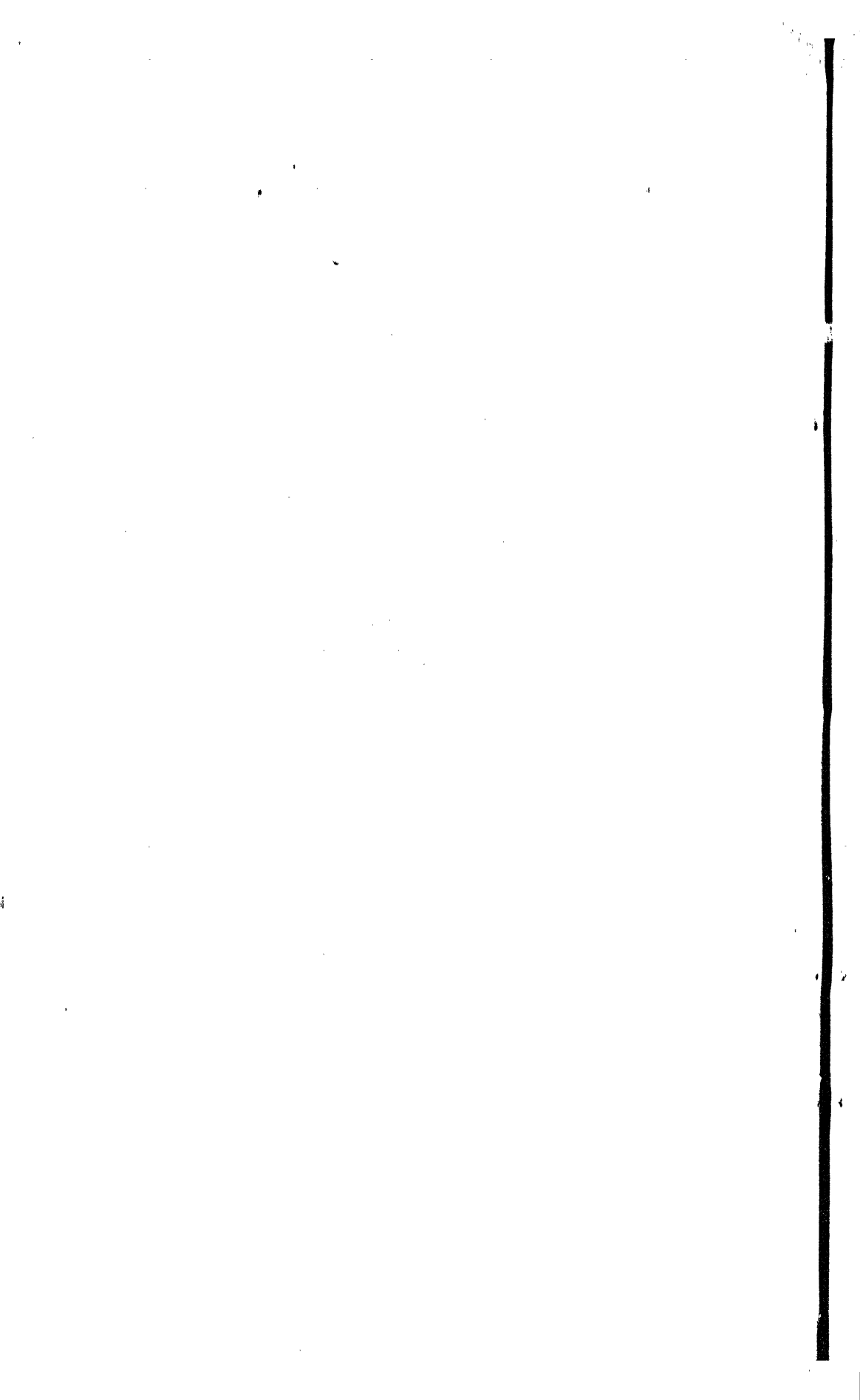
"Well", I said, "all right." Now, he said, after the investigation—he wrote me a letter that wasn't true, insofar as his being satisfied with his present position. The truth of the matter is that Mr. Lanoux was transferred for the benefit of the service, that the man who is now on that job is doing twice as much of that work, and doing it twice as efficiently as Mr. Lanoux, and the records of my office will show it. Mr. Lanoux was given the very best transfer we could work for him, and in my letter to the Department, here, asking about the transfer, I particularly took occasion to ask if it would interfere with his civil-service status, because I wanted to protect him in that I did not want any argument over Civil Service in my office. There was none, and Mr. Lanoux's job, that he was in, was not a civil-service job. It was merely the fact that he had been in Civil Service, in another position, and had been transferred to the job from which I transferred him, and he was transferred solely for the benefit of the service. The record is here.

Mr. RIGHTOR. Is that all, on that subject?

Mr. MOORE. If that satisfies the committee. If there is anything the committee wants, I will be glad to give it to them.

The CHAIRMAN. Well, it is impossible for us to kill ourselves at it, so the committee will recess until 10 o'clock Monday morning.

(Whereupon, at 1:25 p.m., the committee recessed until Monday, Apr. 9, 1934, at 10 a.m.)



CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

MONDAY, APRIL 9, 1934

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to adjournment, at 10 a.m., in the finance committee room, Senator Pat Harrison (chairman) presiding.

Present: Senators Harrison (chairman), Walsh, Barkley, Costigan, Clark, Byrd, Lonergan, Keyes, LaFollette, and Metcalf.

Present also: Senator Long, Mr. Edward Rightor, Col. John P. Sullivan, and Mr. D. D. Moore.

The CHAIRMAN. Let us proceed. Mr. Moore, you were on the stand, I think.

Mr. MOORE. Yes, sir.

Mr. RIGHTOR. In connection with Mr. Moore's testimony concerning Mr. Lanoux, one of the employees of his office, I have in my hand a letter of April 5, from Mr. Kelly, referred to, and, amongst other things, he says this—

Senator LONG. Mr. Chairman, the letter testimony has been—I am not going to object to it, but I just want to call the Chair's attention, if this continuous character of testimony goes along, unsworn letters—I had to bring the bank examiners here instead of their certificates, state officials, and I was just wondering how far you were going.

The CHAIRMAN. What is this? Let me see the letter, please?

Mr. RIGHTOR. It is merely a letter from that—

The CHAIRMAN. Is this in the record?

Mr. MOORE. No, sir.

Mr. RIGHTOR. There are a number of references in the record to an objection to Mr. Lanoux's removal, and Mr. Kelly has evidently read in the press what Mr. Lanoux says.

Mr. MOORE. Yes.

Mr. RIGHTOR. And he writes that letter to Mr. Moore.

The CHAIRMAN. Well, Senator Long, I do not think that this reflects on anybody. It is just a statement of facts.

Senator LONG. I think statements of fact should be sworn to, if they are required on this side. I would not have objected, but it has been the ruling of the Chair that when we made a statement of fact we have got to send back to Louisiana.

The CHAIRMAN. No; we had a lot of letters put in the record the other day that were presented here.

Senator LONG. Well, I am not going to urge any objections.

The CHAIRMAN. We put in a lot of telegrams the other day. They went into a lot of matters that reflected on people.

Senator LONG. Does that reflect upon Lanoux's testimony, undertaking to show it is not true?

May I ask counsel, is that the purpose of it, to show that something Lanoux swore to is not so, and you are going to disprove it by the letter of a man a thousand miles away from here?

The CHAIRMAN. Suppose you see the letter, and see whether you have any objection to it.

Mr. RIGHTOR. Look at it [handing same to Senator Long].

The CHAIRMAN. We permitted letters to go in here from people over in Texas, and all around. All he wants is to get the facts of the thing.

Senator LONG. None of ours went in. This is such a contradiction, I would not think the Chair would think about entertaining an idea of putting that into the record unsworn.

Mr. RIGHTOR. The letter is dated April 5.

Senator LONG. I understand the Chair rules to let it go in?

The CHAIRMAN. Well, the Chair will not let it go in, then, if the Senator objects to it, and I will permit you to get him here, if you want to.

Mr. RIGHTOR. Yes. I do not think it is of that much importance.

The CHAIRMAN. Well, the Chair should not think so either.

Mr. RIGHTOR. Now, Mr. Moore, at page 5380 of the current Congressional Record, Senator Long refers to the fact that Colonel Sullivan is controlling your office. Will you make any comment that you consider appropriate on that remark of Senator Long?

Mr. MOORE. Mr. Sullivan does not control the office. He has been in the office twice since I have been there, once to congratulate me, the day I took office, and once as attorney for the Brewers' Association of New Orleans, when I invited them to come to the office.

Mr. RIGHTOR. Outside of the occasion that you remark, have you ever seen Colonel Sullivan practicing in your department?

Mr. MOORE. No, sir.

Mr. RIGHTOR. Have you any knowledge of it?

Mr. MOORE. The best knowledge I have here is a statement from the assistant collector and the heads of three departments stating that Colonel Sullivan has never had a case before the department.

The CHAIRMAN. What is the occasion on which you say you invited them there?

Mr. MOORE. When the law was changed, permitting the manufacture of beer above a certain alcoholic content, the Bureau here asked us to estimate the number of stamps we would need for beer above 3.2, which paid \$5 a barrel. The other paid \$6 a barrel. We had no way of estimating, without consulting the brewers, so I sent a note or a call out for the brewers to please meet me in the office and discuss with me—give me an idea as to how many stamps they would want, and of what sizes, and so forth, and that was the only occasion that Mr. Sullivan has been in the office.

The CHAIRMAN. How many were there in the conference?

Mr. MOORE. There were 5 brewers and there were about 10 men present.

The CHAIRMAN. All right.

Mr. RIGHTOR. At page 5386 of the Congressional Record, he says that Colonel Sullivan has the internal revenue income tax collector sitting in his office half the time, calling upon decent citizens to be investigated about their income taxes. Is there any truth in that?

Mr. MOORE. None whatever.

Mr. RIGHTOR. At page 5390 of the Congressional Record Senator Long says Joe Gardiner, one of Sullivan's relatives that he has had around his office, he puts over there in the internal-revenue office.

Senator LONG. Mr. Rightor, I admit that is an error. It should have been a man named Heyman, that came from the race track. The man that I testified to the other day, I was handed two names, and I read the wrong name.

Mr. RIGHTOR. I want to clear that up.

Senator LONG. The name was the other fellow, Heyman.

Mr. RIGHTOR. Colonel Sullivan has a relative named Gardiner?

Senator LONG. This has no relation to this.

Mr. RIGHTOR. Well, I would rather have the evidence than the apology. Is there a Joe Gardner employed in your office?

Mr. MOORE. Yes, sir.

Mr. RIGHTOR. Is he related to Sullivan?

Mr. MOORE. No, sir.

Mr. RIGHTOR. Has Sullivan a relative named Gardner?

Mr. MOORE. Not that I know of. He has a son-in-law named Gardiner.

Mr. RIGHTOR. Does he spell his name the same way?

Mr. MOORE. No; he does not.

Mr. RIGHTOR. Did this Joe Gardner ever work in Sullivan's office?

Mr. MOORE. No, sir.

Mr. RIGHTOR. Who recommended him as an employee?

Mr. MOORE. I have here the letters of recommendation from C. H. Ellis of the United Fruit Co., and Mr. Parks, the assistant to Mr. Ellis, of the United Fruit Co., the original letters.

(Said letters are as follows:)

UNITED FRUIT CO.,
New Orleans, La., September 13, 1933.

Mr. D. D. MOORE,
City.

DEAR MR. MOORE. This will introduce to your favorable acquaintance Mr. Joseph P. Gardner, who started to work for us as office boy on August 25, 1911, and resigned as cashier April 30, 1926, to engage in business with his brother.

Mr. Gardner understands that you have been, or expect to be appointed in the near future to a Federal position and he would like to talk with you regarding employment with the Government. I have known Joe intimately since he was an office boy with our company and can highly recommend him in every respect. I hope you will be able to do something for him.

With kind regards, I am,
Yours sincerely,

P. D. PARKS, Assistant to Vice President.

UNITED FRUIT CO.,
New Orleans, La., September 23, 1933.

Mr. D. D. MOORE, City.

DEAR MR. MOORE: The bearer of this letter, Mr. Joseph P. Gardner, started with us in 1911 as an office boy and was gradually promoted to the position of cashier, from which he resigned in April 1926 to engage in business with his brother. They met with considerable success until the beginning of the depression in October 1929 and since then they have, like many other people, been quite up against it. Mr. Gardner is anxious to obtain employment under you

when you assume the duties of internal revenue collector here. I can heartily recommend Mr. Gardner as being thoroughly capable, efficient, honest, and of good habits, and I trust you may be able to place him in some position in your new office.

With best wishes for your continued success, I remain,
Yours sincerely,

C. H. ELLIS.

NEW ORLEANS, LA., March 26, 1934.

Hon. D. D. MOORE,
Collector of Internal Revenue, New Orleans, La.

MY DEAR MR. MOORE: According to press dispatches from Washington under date of March 23, and printed in the Times-Picayune of Saturday morning, March 24, 1934, Hon. Huey P. Long, Senator from the State of Louisiana, is purported to have made the following statement:

"I am not stating anything that is not public knowledge, that this appointment was made by Sullivan, that Sullivan has practically taken charge of that office with his assistants, even to putting in his relatives that he had in his own office, Joe Gardiner, one of Sullivan's relatives that he has had around his office—he has put him over there in the internal-revenue office."

I wish to deny emphatically that I am in any way, either by blood or marriage, related to Col. John P. Sullivan, of New Orleans. Senator Long must be under the impression that I am related to Col. John P. Sullivan's son-in-law, Dr. W. P. Gardiner. There is no relationship whatsoever between Dr. Gardiner and myself. Our names are not spelled alike. I have known Dr. Gardiner for a number of years, but there is no family relationship whatsoever.

I was born and reared in the eighth ward of New Orleans, and everyone who knows me knows that I am in no way related to Col. John P. Sullivan. This fact can be verified at any time.

Senator Long states:

"Joe Gardiner, one of Sullivan's relatives that he has had around his office."

When I read in the paper that Mr. Moore was slated to be appointed collector of internal revenue, I went to his home with a letter of introduction from Mr. Percy D. Parks of the United Fruit Co., and asked that I be considered for an appointment. I explained my previous experience and qualifications and later executed the formal application which is necessary in order to obtain a position in the Internal Revenue Service. I then went to a number of my friends in New Orleans, including Mr. Crawford H. Ellis of the United Fruit Co., Col. John P. Sullivan, and others, and asked that they recommend me to Mr. Moore. Up to the time that I went to Colonel Sullivan's office to ask him for an endorsement for my present position, I had never been in Colonel Sullivan's office for any purpose.

I obtained a position with the United Fruit Co. in New Orleans on August 25, 1911, and worked continuously for them until April 30, 1926, when I left their employ to enter the packing-house business with my brother, under the firm name of Gardner & Co. When I received an appointment to the Internal Revenue Service I severed my connections with Gardner & Co.

I am going into detail in regard to this matter in order to show clearly that I was never in any way connected in a business way with Col. John P. Sullivan; that I am not related to him, and that he did not have me "around his office."

Respectfully,

JOSEPH P. GARDNER,
Deputy Collector of Internal Revenue, District of Louisiana.

STATE OF LOUISIANA,
Parish of Orleans:

Joseph P. Gardner, being duly sworn, deposes and says that he is the Joseph P. Gardner who signed the above letter; that the statements contained therein are true and correct in every particular.

JOSEPH P. GARDNER,

Sworn to and subscribed before me this 26th day of March in the year nineteen-hundred thirty-four.

[SEAL]

DANIEL A. MCGOVERN, Jr., Notary Public.

My commission expires at death.

Mr. MOORE. And I have the sworn affidavit from Mr. Gardner that he had never called on Colonel Sullivan until after he had seen me.

Senator LONG. The affidavit, will that go in the record, that he had not called on Colonel Sullivan until after he had seen you?

Mr. MOORE. Yes, sir.

Senator LONG. All right; I didn't even know that. Will that go in the record?

Mr. RIGHTOR. Will you state briefly the type of men who head your departments? Who is Mr. Rufus Fontenot?

Mr. MOORE. Mr. Rufus Fontenot is well known in Washington, where he was secretary, first, of Congressman Pujo, head of the famous Pujo committee which investigated the bankers, and Mr. Fontenot was afterward secretary to Senator Randsell. Then he became assistant collector, first a deputy, then an assistant collector of internal revenue at New Orleans, and later collector of internal revenue. He left the office by resigning when Mr. Hoover was elected.

Then he went to Shreveport, where he practiced, his practice being as an auditor and as an income-tax expert. He was injured in a railroad wreck, and out of business for several years.

Mr. RIGHTOR. Who is Mr. Jeter?

Mr. MOORE. Mr. Jeter, the head of the field division is a former tax assessor of Shreveport, Caddo Parish, second largest in population in the State, I believe. He is a man well known for his writings and his speaking on tax matters. He is a man of executive ability, and pleasing personality, a man of very high character.

The head of the processing-tax division is Mr. Noel Edler. He was for more than 20 years with the D. H. Holmes Co., was in charge of the offices of the D. H. Holmes Co., and came to me very highly recommended by the general manager of the D. H. Holmes Co., one of the largest department stores there.

He left them because he could earn more money elsewhere. He had been making \$6,000 for them, and went into the insurance business, a man of high standing and a very capable office man—office manager.

Mr. RIGHTOR. At page 5388 of the record, Senator Long referred to Miss Pearl Maretzky and Miss Evelyn Flattery. Are they employed by you?

Mr. MOORE. Yes, sir.

Mr. RIGHTOR. In what department do they work?

Mr. MOORE. Miss Flattery has been in the miscellaneous tax division as a stenographer and typist, and Miss Maretzky has been in the processing-tax division.

Mr. RIGHTOR. Has Miss Flattery given good service?

Mr. MOORE. Excellent service. They are both excellent stenographers and typists, very capable women.

Mr. RIGHTOR. Has Miss Flattery been off duty much?

Mr. MOORE. The record of the office which I have here shows that Miss Flattery has lost—Miss Flattery has taken 2 days' leave since she entered the service, last October. On January 27 she was out 1 day on account of having an attack of influenza, and on March 1 she took 1 day's annual leave.

Mr. RIGHTOR. Now, Miss Maretzky, who did she come recommended by?

Mr. MOORE. She came recommended by a number of people. She approached Mr. Fontenot first, and was recommended by Percy Saint, by Mr. Showalter, assistant to Mr. Saint while he was attorney general, by Colonel Sullivan, and by others.

Mr. RIGHTOR. Has Miss Maretzky been off to any extent?

Mr. MOORE. Miss Maretzky lost 2 days in January, 9 days and 4 hours in February, and 1 day in March. The records show that that time was deducted from her salary.

Mr. RIGHTOR. That is true of Miss Flattery also?

Mr. MOORE. Well, Miss Flattery had 1 day earned, and 1 day lost. One day was deducted from her pay.

Mr. RIGHTOR. Have you a photostatic statement of the position taken by the New Orleans newspapers during the strike?

Mr. MOORE. Yes. I think it is in the hands of the clerk of the committee, and here is the typewritten copy, that I would like to attach to that photostatic copy. The photostat is offered.

(The statement referred to is as follows:)

TYPOGRAPHICAL JOURNAL, VOLUME, 47 PROCEEDINGS OF THE SIXTY-FIRST SESSION
OF THE INTERNATIONAL TYPOGRAPHICAL JOURNAL, SEPTEMBER 1915

Vice President Barrett spoke as follows:

* * * * *

"You who are here know something of the New Orleans union; you have heard something of it, and you know how they have acted there. Let us be frank. I knew before I went to New Orleans what I was going up against, and, believe me, I went up against it. My fight in that town was not nearly so hard to conduct, as far as the publishers were concerned, as it was to fight the members of no. 17 who would allow no one to guide them or lead them in that fight. When I first took control of the matters for the council and in the appointing of the different committees to take up the different classes of work, whether a committee of one or a committee of a dozen, I want to tell you the minute that committee was announced there were many members of that union who would come to me and tell me what kind of members they were, to discourage me, or try to, to discourage those members from doing the work which they tried to do in order to relieve the situation. What progress can you expect to make under conditions of that kind? And the delegates from New Orleans know that just as well as I know it. I did not come here to say anything to you that was not frank, that was not right and did not apply absolutely to the situation. There have been three different occasions in that city since the 1st of January when it was possible to bring about an agreement, and on the three different occasions the members of no. 17 themselves have stopped or interfered with that settlement. The first time was when a conference was to be held on a certain night for the purpose of considering a proposition looking toward a settlement. Enough members deserted that day to one paper to pass it all up. On a second time when the three publishers were considering something looking toward a settlement, again some members deserted and threw the whole thing in the air, and the third time when an agreement was possible I made the mistake of confiding in an officer of that union who, instead of holding that which I told him in confidence, deliberately gave it out, so the publisher who was trying to negotiate an agreement or was willing to enter into an agreement with me was put in a bad light with the other two publishers with whom he had an agreement, and that proposition was off. Surely it is not an encouraging position for a man to be in. But do not let the idea get into your heads from any statement that the situation in New Orleans is lost, because it is not lost. I know what has happened in New Orleans during the last 6 months, and I know that if the members of New Orleans union will allow the representative of the International Typographical Union to continue his work without interference that the situation before very long will be cleaned up, or at least in part, anyway. Now, I will say in conclusion that I am opposed to a donation of any more money than we are at the present time donating to New Orleans union, knowing as I do that

the money is not necessary, that we have enough funds there at the present time with that which will continue to go there, which w^oll enable us to eventually succeed. I thank you."

* * * * *

Secretary-Treasurer Hays spoke as follows:

"Mr. President: I just want to take up one phase of this question that has not been covered by the vice president. He has given a very clear exposition of the case, but I wonder if the delegates to this convention realize just what is being asked for in this proposition. Delegate Breen informs you that in his opinion the fight in New Orleans is to be a continued fight—for years. And he asks that the executive council be instructed to place \$10,000 in the treasury of no. 17 now, and that a proposition be put to the membership asking them to assess themselves 5 cents per week for the benefit of no. 17 so long as it is necessary. Now, if his statements mean anything they mean that the assessment will be continued for at least a period of 1 year, and that the amount that will be thus raised will not be sufficient for the needs of no. 17 for the year, but that they desire \$10,000 in addition. What is this amount that they are asking our members to pay? What would it mean in 1 year's time on our average paying membership for the past fiscal year? It simply means that they are asking the International Typographical Union to pay them for 1 year the sum of \$164,884.60. Now, think of it. A strike of 170 or 175—less than that I think on the roll at the present time. Just stop and figure out what they are asking you to do. The executive council has been extremely liberal in New Orleans. It has used your money in an extremely liberal manner. To the 31st of May, 1915, from the inception of the strike, which was, I think, on the 27th day of December, which means just a trifle over 5 months, the executive council paid into New Orleans on account of this difficulty the sum of \$56,300.74. And we have been paying for June, July, and a part of August since that time. Now they undertake to tell you that the executive council has not put sufficient money into that city, and they want you to guarantee them \$164,884.60 for the next fiscal year. Take that into consideration in connection with the statement made by the vice president as to what has been done with the money, and what is needed down there, and judge for yourselves."

* * * * *

The report of the committee was adopted.

Mr. MOORE. In the report of the first hearing, a very definite and very positive denial is made of an incident I referred to at that time, a slap on the back. I was asked why I did not mention the time that we were with Mr. Hamilton in the Hotel Roosevelt.

Senator LONG. Oh, I thought you were talking about the newspapers.

Mr. MOORE. In that statement I made——

The CHAIRMAN. You are referring now to the meeting that you had with Senator Long?

Mr. MOORE. Yes, sir. I have a statement here, signed by the three gentlemen who were with me, who tell exactly what took place.

Senator LONG. Mr. Chairman, I would insist on testimony on that point. If those witnesses are brought here I will have a dozen here to show to the contrary.

The CHAIRMAN. Well, I think that would be very proper, that they ought to be here, if he insists.

Senator LONG. Yes.

The CHAIRMAN. Are they signed affidavits, Mr. Moore?

Mr. MOORE. It is not an affidavit, gentlemen, but those gentlemen will come, if you insist on their coming.

The CHAIRMAN. Some of us might not think it is very material whether there was a slap on the back or not.

Mr. MOORE. I might, sir.

Mr. RIGHTOR. Counsel does not think so. Have you anything else?

Mr. MOORE. Nothing else, unless you want—

Mr. RIGHTOR. Will you cross-examine the witness, please, Mr. Long?

Senator LONG. Yes, sir. Mr. Moore, I know you are aware of the fact that I have said, here, that I would attack you on the ground of perjury. You heard me make those statements. You have been answering them. I again warn you that I attack you on the ground of perjury, for testimony here in this hearing as well as before. You have testified, Mr. Moore, that the Supreme Court of Louisiana held that the articles in the Pierson case were correct, were facts, but that they were—in your own words, so that I am not misquoting you, I copied it at the time—you said,

The gist of the opinion was that the facts were admitted to be true, but too much views of the man who wrote the articles.

I wish to read you, as a little example, one of the kind of expressions that appears throughout the summation of the court's decisions. One is:

"The published statement"—skipping, in order to connect up—"was wholly false, malicious, and misleading." Page 832 of the Louisiana report. I can go through the decision, and various other statements to that effect, but without enumerating that I want to ask you if you are unaware of those kinds of statements in the opinion to the effect that those statements were "wholly false, malicious and misleading", "vile and defamatory", and other expressions to that effect.

Mr. MOORE. Is that your question?

Senator LONG. Yes, sir. Were you aware of that when you testified that?

Mr. MOORE. I had in mind, when I testified, Mr. Justice Provosty's statement:

Counsel for plaintiff dictated to the stenographer, on the trial, an admission that the publications complained of are based on truths, that the report of an investigation should be unvarnished, not alone in the sense of giving the truth whole but also that of not embellishing it.

Senator LONG. You had in mind, you say, a statement made by one of the justices who concurred, counsel had dictated that something was based on truth? Is that what you said?

Mr. RIGHTOR. No.

Senator LONG. Now, I don't want counsel to testify for this witness. He has already testified himself.

Mr. RIGHTOR. I am not testifying for the witness, but I am stating that your statement is not correct.

The CHAIRMAN. All right. Go ahead. Answer the question.

Mr. RIGHTOR. Read the question.

Senator LONG. Now, Mr. Chairman, that is an example of the prompting that this witness has to have, through the attorney rising and making a statement for him.

The CHAIRMAN. Well, Senator Long, the witness will answer the question.

Senator LONG. Well, does the Chair approve of the counsel rising here to answer the questions?

The CHAIRMAN. The Chair disapproves of a great many things that have happened here, but it seems he is almost powerless to prevent them. Go on, and answer the question.

Senator LONG. I asked the Chair to instruct the counsel not to answer questions that I propound to this witness.

The CHAIRMAN. Answer the question.

Mr. MOORE. He has said so much, Senator, that I hesitate to answer the question, unless I get the meat of it and am sure that I know what the question is.

The CHAIRMAN. You have that right.

Mr. MOORE. I do not like to be twisted.

Senator LONG. I will ask you if you were aware of this statement in the opinion rendered by the chief justice?

Mr. MOORE. I was not. I haven't read that opinion in 20 years.

Senator LONG. All right. I will ask you if you were aware of this, that he said:

The publications here in question are shown to have been inspired by blind recklessness and a malicious desire to discredit plaintiff and injure him in the estimation of the community in which he lives.

Mr. MOORE. Does it say that I inspired them?

Senator LONG. I have read you from the decision [reading]:

The publications here in question are shown to have been inspired by blind recklessness and a malicious desire to discredit plaintiff and injure him in the estimation of the community in which he lives and of the public at large.

Were you aware of that being in the opinion?

Mr. MOORE. Anything that is in the opinion, I was aware of at one time. I haven't read the opinion, as I told you, in 20 years.

Senator LONG. All right.

Mr. MOORE. Or nearly 20 years.

Senator LONG. Well, just leave that for itself. I believe that you have stated that Mr. Sullivan does not control the affairs of your office. That is correct?

Mr. MOORE. It is.

Senator LONG. Is it?

Mr. MOORE. Absolutely.

Senator LONG. Yes, sir. You said that Mr. Gardner did not call on Mr. Sullivan until after he had seen you?

Mr. MOORE. Yes.

Senator LONG. Why did he go to see Mr. Sullivan after he had seen you?

Mr. MOORE. I wanted to be sure that Mr. Gardner was not a Long man.

Senator LONG. Thank you, sir. I will leave that point right now. Mr. MOORE, I understood you to say that you employed a lady by the name of Miss Golden.

Mr. MOORE. Yes.

Senator LONG. Did you hear the testimony of Mr. Rightor on the witness stand saying in these words, "We put her in there because of"—and then giving the reasons?

Mr. MOORE. I heard Mr. Rightor's testimony.

Senator LONG. Yes. Who was the "we" if you know? Who was "we", if you know?

Mr. MOORE. I know.

Senator LONG. How?

Mr. MOORE. I know.

Senator LONG. Well, tell me, please.

Mr. MOORE. Mr. Rightor and myself.

Senator LONG. Mr. Sullivan?

Mr. MOORE. Probably Mr. Sullivan.

Senator LONG. Yes, sir. I read into the record here, which the chairman very kindly permitted me to do, instead of offering the blank itself, which you were to correct if it were in error, and not having corrected it I assume it was not in error, that part of her application saying that she was resigning the position in Colonel Sullivan's office to accept this position, meaning the position she is applying for. You were aware of that, were you?

Mr. MOORE. You are sure that was Miss Golden?

Senator LONG. Yes, sir.

Mr. MOORE. I do not know. I haven't her application before me. I do not know what was on it. All I know is the facts as stated.

Senator LONG. Have you got the blank, Mr. Rightor?

Mr. RIGHTOR. No, sir.

Senator LONG. Have you got the application blank?

Mr. MOORE. I will admit it. I will admit it. The facts were as stated.

Senator LONG. And she was resigning, she said, the position in Sullivan's office, on her application blank, to accept this position. Had it been previously agreed that she would be given the position before she filled out her application blank?

Mr. MOORE. Possibly.

Senator LONG. Had you agreed to give her the job, before she made her application out?

Mr. MOORE. That, I cannot say. I do not recall those details.

Senator LONG. You do not recall that you had agreed? Well, will you say that you had or had not, before the lady had even given you an application blank, agreed for her to have that job?

Mr. MOORE. I cannot say definitely yes or no.

Senator LONG. Well, do you remember having talked to her about the job before?

Mr. MOORE. I do not.

Senator LONG. You do not remember?

Mr. MOORE. The probabilities are that I did not talk to her at all.

Senator LONG. All right. The probabilities are that you did not talk to her at all?

Mr. MOORE. That she applied to Mr. Fontenot, the assistant.

Senator LONG. And that, notwithstanding the fact that you had not talked to her at all, she stated on her application blank, on which Colonel Sullivan acted as a notary—on which Mr. Sessler in Colonel Sullivan's office acted as a notary, and in Colonel Sullivan's office, that she was resigning, that she was resigning the job with Colonel Sullivan to accept this position, before you ever saw her, and before you ever got the application blank?

Mr. MOORE. May I explain?

The CHAIRMAN. Yes.

Mr. MOORE. Mr. Fontenot, having had much more experience in the handling of a staff in the office, examined the applicants. We were working at one desk. The applicant would come in. I would

refer them to Mr. Fontenot. Mr. Fontenot would report back to me, two things; the availability of the applicant, after an examination, and the possibility of a position, whether there was a vacancy or not. Then I passed on it.

Many of the ladies in the office I do not know.

Senator LONG. And you had passed on this lady before she made out her application, and before you talked to her?

Mr. MOORE. I will not say that at all. I do not know that to be the truth.

Senator LONG. What is it you do not know to be the truth?

Mr. MOORE. That she had been appointed or agreed on, accepted for a position, before she resigned. I do not know anything about her resignation.

Senator LONG. I will have that, for the use of the committee here, in just a moment. That, I want to offer to the committee.

(Senator Long offered in evidence the application blank of Miss Thyria Golden, which is as follows:)

APPLICATION FOR POSITION IN COLLECTORS' OFFICES, DISTRICT OF LOUISIANA

APPLICATION FOR POSITION OF TEMPORARY DEPUTY COLLECTOR

JANUARY 20, 1934.

Name: Thyria F. Golden. Address: 3815 Iberville. Phone: Ga. 9649.

Date of birth: July 3, 1914. Place of birth: New Orleans, La.

Legal (voting) residence:

State and congressional district: Louisiana, first. County: Orleans. City or town: New Orleans.

Are you a citizen of the United States: Yes. Race: White. Married or single: Single.

Have you any chronic disease: No. Have you any defects in sight, hearing, speech, or limb: No.

What is the present state of your health: Good.

Are you physically capable of a full discharge of the duties of the position sought: Yes.

What is your weight: 92 pounds. Height: 5 feet, 2 inches.

Education

School (grammar, high, college)	Number of years	Graduate or degree	Year
Beauregard School.....	8	Graduate.....	1929
John McDonogh.....	4	do.....	1933

PRESENT OR MOST RECENT EMPLOYMENT

From month of July, year 1933, to month of present date.

Where employed: New Orleans, La.

Name of employer or Government department (if Government, state branch of service and city in which employed): John P. Sullivan.

Position: General clerical. Entrance salary (annual) \$180 per annum.

Present annual salary (or when leaving): \$180 per annum.

Describe duties briefly: Typing and legal work.

Are you still employed? (Answer "yes" or "no"): No.

If your answer is "no," state manner of separation, and cause: Resigned to accept this position.

State fully and in detail any other practical experience you have had which would qualify you for the position for which you apply. (Use blank sheet if necessary):

Can operate Elliott Fisher bookkeeping and billing machine; also comptometer.

Have you ever been discharged from any employment, Federal or otherwise, or resigned any position under compulsion: No.

Have you ever been arrested, summoned into court as a defendant, convicted, fined, imprisoned, or placed on probation for breach or violation of any law? No.

Have you ever been employed by the Federal Government except as you may have already stated? No.

Have you ever taken a Federal civil-service examination? No.

Were you ever in the United States Military, Naval, Marine Corps, or Coast Guard Service? No.

Give the names and addresses of any persons, except the employers already named, who have knowledge of your experience and capacity: Marvin Potter, Balter Building, New Orleans, La.; David Sessler, Balter Building, New Orleans, La.; Evelyn Flattery, Customhouse.

Are there any members of your family in the U.S. Government service? If so, give name, relationship, and position: No.

Will you accept temporary employment? Yes. Are you available for immediate appointment? Yes.

I solemnly swear that the answers that I have made to each and all of the foregoing questions are in my own handwriting and are full and true to the best of my knowledge and belief. So help me God.

(This form must be sworn to before a notary public.)

(Signature of applicant) **THYRIA F. GOLDEN.**

(Sign your first name in full, your middle initials, if you have any, and your surname in full)

Subscribed and sworn to before me by the above-named applicant this 20th day of January 1934, at New Orleans, Parish of Orleans, and State (or Territory or District) of Louisiana.

[Official impression seal]

(Signature) **DAVID CROSBY, Notary Public.**

Commission expires at death.

(The official seal must not be omitted).

(To be answered by the collector)

To your knowledge, does the applicant use intoxicating beverages, morphine, or opium? No.

Do you recommend the applicant as fully qualified for the position which he or she seeks? Yes.

Is the applicant related to you in any way? No.

RUFUS W. FONTENOT,
Assistant to the Collector.

Senator LONG. Now, Mr. Moore, I want to warn you again that I am depending on disqualifying you on the ground of perjury, not only on what has been said before but on this examination; and I want to ask you if you did not swear on the stand that the office that you took over was in a deplorable condition?

Mr. MOORE. Yes, sir.

Senator LONG. All right. I want to ask you if, at the time Mr. Merigan was taken out of the office and you were put in, a Federal supervisor of the United States was sent to New Orleans by the Commissioner of Internal Revenue, who checked that office for the purpose of transferring it over to you, and if he did not give to you and to Mr. Merigan a signed statement to the effect that the office was absolutely in perfect condition at the time of the transfer?

Mr. MOORE. That the accounts balanced.

Senator LONG. Have you got that letter?

Mr. MOORE. No, sir.

Senator LONG. You haven't got the letter that was given to you at the time?

Mr. MOORE. No, sir; not here. It is in the files, if such a letter is there.

Senator LONG. Can't you have that letter sent? Can't you get a copy of it from here?

Mr. MOORE. No, I imagine not. I think it would come from New Orleans.

Senator LONG. Is that all the letter stated, that the accounts balanced?

Mr. MOORE. No.

Senator LONG. I want to warn you, now.

Mr. MOORE. I don't remember what the letter stated.

Senator LONG. You do not remember what the letter stated?

Mr. MOORE. I cannot go into all those details.

Senator LONG. You would not object to that letter being wired here, would you, as being offered in the record of this case?

Mr. MOORE. No.

(Subsequently Mr. Moore sent the following letter to the clerk of the committee.)

WASHINGTON, D.C., April 13, 1934.

Mr. F. M. JOHNSTON,

*Secretary Senate Finance Committee,
Senate Office Building, Washington, D.C.*

DEAR MR. JOHNSTON: Senator Long today asked that I get a letter written to me and to Mr. L. A. Merrigan, who preceded me as Collector of Internal Revenue at New Orleans, showing that everything was in fine shape in the collector's office when I succeeded Mr. Merrigan.

I have made every possible effort to find such a letter and have failed. No letter was given me. I signed documents showing that certain moneys, fixtures, stamps, etc., were turned over to me. My understanding is that Mr. Merrigan was given an acquittal, showing that his accounts were in order. That was all.

A telegram from my assistant in New Orleans received late this evening, says: "See report of Supervisor Wilson, dated November 2, 1933, in files of Deputy Commissioner of Internal Revenue Schoeneman, Washington, on condition of New Orleans office as of September 30, 1933, especially on organization, management, and personnel exhibit; also comments on the processing-tax division. This report shows conclusively that supervisor did not state condition of office was perfect."

Yours very truly,

D. D. MOORE.

I am leaving tonight for home and will therefore be unable to ask Mr. Schoeneman for a copy of this letter.

D. D. M.

Senator LONG. And you admit that you had knowledge of the contents of that letter?

Mr. MOORE. Yes.

Senator LONG. You won't object to the letter he gave Mr. Merrigan, or the letter he gave to you, being put in the file of the case?

Mr. MOORE. I do not know what he gave Mr. Merrigan. The letter to me is all right.

Senator LONG. All right.

The CHAIRMAN. All right, Mr. Moore. Wire down there and get it, and we will have it put in the record so we can save a little time.

Senator LONG. I think I have only 1 or 2 more questions, Your Honor. I want that document that you handed to—about the labor man's speech before the convention. You can let me have that, to copy it, later in the day, can't you?

Mr. MOORE. Yes.

Senator LONG. I just want the document itself. I will ask you later in the day to let me have it, and have my stenographer copy it, that is all, so that I may use the document, the whole document.

I want to ask you another question, Mr. Moore. You read the papers, do you not?

Mr. MOORE. Sometimes.

Senator LONG. Did you ever quit reading them, particularly?

Mr. MOORE. There are periods that I do not read the papers. I do not read the papers as carefully as I did once

Senator LONG. Inasmuch as you have attacked the man whom you succeeded, who was appointed, I guess, by Mr. Hoover, or Mr. Coolidge, he has wired me, and asked me—and I do it out of courtesy to him—that I ask you this question:

Did New Orleans States, which Mr. J. Walker Ross edits, in an article published by Mr. Bascomb Timmons, who was offered here as your character witness, under date of Monday, July 10, 1933, did not print the following article:

FEDERAL TAXES IN LOUISIANA SHOW BIG INCREASE

(By Bascomb Timmons)

WASHINGTON, JULY 10.—Federal tax collections in Louisiana rose nearly 50 percent in the past fiscal year, in contrast to an almost negligible increase in collections through the country as a whole, the first official figures compiled by the Internal Revenue Bureau today disclose; individual income, corporation, and miscellaneous taxes collected in Louisiana during the year ended June 30 total \$9,446,877.29 as compared with only \$6,258,698.41 during the previous 12 months.

Showing, according to the article by Mr. Bascomb Timmons that Mr. Merrigan's office for the calendar year ending June 30, 1933, had shown an increase of 50 percent in the income-tax collections, as against the preceding year ending June 30, 1932, whereas the United States had remained still, insofar as increase was concerned. Were you aware of that article having been printed?

Mr. MOORE. Yes, sir.

Senator LONG. That is true, is it not?

Mr. MOORE. That it was printed, is true.

Senator LONG. Did you want to say something else about it?

Mr. MOORE. I want to offer just a little statement here of the present conditions in the office. Collections July 1, 1933, through March 31, 1934, were \$12,853,000; July 1, 1932, through March 31, were \$6,511,000; percentage of increase 97.45 percent, since the 1st of last July over the previous period.

The number of clients or returns increased from 55,000 to 84,000, an increase of 52.36 percent.

Senator LONG. Is that on income?

Mr. MOORE. No; that is on all types of taxes paid.

Senator LONG. All types of taxes paid? That includes the processing taxes, the beer taxes?

Mr. MOORE. Oh, yes.

Senator LONG. And various other taxes?

Mr. MOORE. But that accounts for the increase in the number of employees in the office.

Senator LONG. I am not talking about the increase at this time, in the number of employees. I am talking about the increase in the amount paid. I mean, I am talking about the attack you made on the efficiency of that office. Now, I will come to the increase in the number of employees. When did Merrigan step out?

Mr. MOORE. The 15th of October—16th of October.

Senator LONG. 16th of October? So Merrigan was in there until October 16? How many employees did Merrigan have in the office the day he stepped out?

Mr. MOORE. Fifty-five.

Senator LONG. Fifty-five?

Mr. MOORE. That is my recollection; 56-56.

Senator LONG. All right, 56. Was Merrigan collecting all these new taxes at the time he stepped out?

Mr. MOORE. No.

Senator LONG. They had not started, had they?

Mr. MOORE. All had not started.

Senator LONG. Which ones had not started?

Mr. MOORE. Some of the processing taxes had started.

Senator LONG. When did the beer tax start? I do not remember just when.

Mr. MOORE. I do not remember the date.

Senator LONG. When did the beer tax, start, in this thing?

Mr. MOORE. I think it started prior to that time? The first beer tax started prior to that time.

Senator LONG. All right, now. Have you got those increases, by months?

Mr. MOORE. No.

Senator LONG. Beginning July 1?

Mr. MOORE. No. I can easily get them.

Senator LONG. All right, sir. I want to submit from July 1, up until the present, including July, August, September, and half of October, that Merrigan was in there, and see if Mr. Merrigan was not reporting these increases, the same as you did, with 30 less employees, up until the new ones started; I will ask you just to give us that list, and file it with the record, if you haven't got it now.

(The clerk of the committee subsequently received the following telegram from Mr. D. D. Moore:)

NEW ORLEANS, LA., April 16, 1934.

HON. FELTON M. JOHNSTON,

Secretary Finance Committee, Senate Office Building:

Collections from all sources by New Orleans Office Internal Revenue in 1933 were: July, \$951,280.65; August, \$1,312,528.46; September, \$1,810,108.10; October 1 to 16: \$1,042,164.18; total, \$5,116,081.39.

MOORE, Collector.

Senator LONG. I believe that that is the only question I have.

The CHAIRMAN. How long had Mr. Merrigan been in as commissioner?

The WITNESS. As collector? Something like 2 years, as I recall it.

Senator LONG. No; he had been there 12 years.

Mr. MOORE. Not as collector—

The CHAIRMAN. Any other questions of Mr. Moore? Mr. Moore. I want to ask you a question.

Mr. MOORE. Yes, sir.

The CHAIRMAN. Something has been said about two employees that worked in your office, and worked, too, in Mr. Sullivan's office.

Senator LONG. Three.

The CHAIRMAN. Miss Maretzky, I believe, and Miss Flattery. Give your opinion to the committee as to whether or not, in the collector's office, there should be employees working in responsible positions that would get information of a confidential nature, and at the same time working in a lawyer's office, who was an attorney that might appear in behalf of tax claimants?

Mr. MOORE. I would not advocate it.

The CHAIRMAN. I just want to get your opinion on it, that is all.

Mr. MOORE. I would not think it was right. The positions held by these ladies brought them not in contact with the clients so much as with the heads of the departments. Seldom they came in contact with taxpayers—the type of the work—but so far as my information went, they were efficient women in the office. We did not know where they went after office hours.

Senator CLARK. Well, Mr. Moore, do you now have any information as to whether it was the practice of these ladies to work in the daytime in your office and after hours to go to Colonel Sullivan's office to resume work?

Mr. MOORE. My information is that they did not go there to work, that that was rather a hangout for two of them, who had for years made it headquarters. I am not informed that they went there to work for Colonel Sullivan. I do not think that is the fact.

Mr. RIGHTOR. Did you know they went there at all?

Mr. MOORE. Yes; I knew they went there occasionally. How much, I did not know. I do not follow employees around. I do not live in Colonel Sullivan's office. I usually go home in the afternoon, or go somewhere else, when I leave the office.

Senator CLARK. Well, Mr. Moore, after the charge was made on the floor of the Senate, some 2 weeks ago, by Senator Long, that that condition did exist, did you make any investigation?

Mr. MOORE. Yes, sir.

Senator CLARK. What was the result of that investigation?

Mr. MOORE. The information reaching me was that the ladies were not working for Colonel Sullivan, and also that there was no information in the office where they were that they could have carried outside. The further information was that Colonel Sullivan had never had a case on, nor any of his associates, in my office.

The CHAIRMAN. But, if such a condition as that were permitted, would you or would you not stand for it?

Mr. MOORE. I would not stand for it.

The CHAIRMAN. Your idea is that that should not be practiced?

Mr. MOORE. Should not be practiced; absolutely.

The CHAIRMAN. Anything else?

Senator LONG. Mr. Sullivan pays a tax on the brewery work, does he not?

Mr. MOORE. That I don't know, but I don't think he does.

Senator LONG. Don't the breweries pay a tax?

Mr. MOORE. The brewery does, but Colonel Sullivan is not the——

Senator LONG. All right. The brewery that Mr. Sullivan runs pays a tax?

Mr. MOORE. Yes, sir.

Senator LONG. Did the race track pay a tax, both on the betting, and on all other receipts?

Mr. MOORE. They pay taxes, but not through Mr. Sullivan.

Senator LONG. All right. Does the General News Service pay a tax?

Mr. MOORE. That, I do not know. I never heard of the General News Service until you brought it up here.

Senator LONG. Do the law offices pay a tax?

Mr. MOORE. Yes.

Senator LONG. All right; that is all.

The CHAIRMAN. Any other questions?

Mr. RIGHTOR. Senator Long, in referring to my testimony, quoted me as saying that "we" would put Miss Golden in Mr. Moore's office. He is incorrect in quoting me. At page 352 of these proceedings the expression is, "we recommend her to Mr. Moore."

Senator CLARK. Who were you meaning, when you said that, Mr. Rightor?

Mr. RIGHTOR. Sir?

Senator CLARK. When you used the expression "we recommended her to Mr. Moore," whom did you refer to by "we."

Mr. RIGHTOR. The evidence shows I referred to Colonel Sullivan and myself.

Senator CLARK. I was not here at the time you testified, the other day, and I have not had an opportunity to examine it.

Senator LONG. Mr. Moore has given testimony on that line, which shows who the "we" meant.

I wrote it down. This is not the answer I am talking about. "She went in the Internal Revenue Department because we knew, from long experience, that she was very efficient, and very competent."

That was Miss Maretzky.

I will look this over, a little later.

The CHAIRMAN. Has Colonel Sullivan ever talked to you with reference to tax matters, or about any interest he might represent?

Mr. MOORE. Not one word.

The CHAIRMAN. No case, you say, has been pending before you as collector of internal revenue, in which he was interested?

Mr. MOORE. Not one.

The CHAIRMAN. All right, Mr. Moore.

Senator LONG. Mr. Moore, don't you know that certain Internal Revenue men have hung around Colonel Sullivan's office, and have quizzed witnesses, since you have been appointed?

Mr. MOORE. I do not.

Senator LONG. You do not know that?

Mr. MOORE. No, sir.

The CHAIRMAN. All right. Who else?

Mr. MOORE. I would like for you to name those men. Who were the men that have quizzed people in his office, Colonel Sullivan's office, men from my office?

Senator LONG. I have a reason for not giving you the names, Mr. Moore, right now.

Mr. MOORE. I think I know that reason.

Senator LONG. Which I expect to give, later.

(Witness Moore excused.)

Mr. RIGHTOR. Miss Flattery.

TESTIMONY OF MISS EVELYN FLATTERY, NEW ORLEANS, LA.

Mr. RIGHTOR. Miss Flattery, how old are you?

Miss FLATTERY. Twenty-three.

Mr. RIGHTOR. And you live in the city of New Orleans?

Miss FLATTERY. I do.

Mr. RIGHTOR. You have lived there all your life?

Miss FLATTERY. All my life.

Mr. RIGHTOR. Are you presently employed in Mr. Moore's office?

Miss FLATTERY. I am.

Mr. RIGHTOR. At what age did you go to work?

Miss FLATTERY. Fifteen.

Mr. RIGHTOR. For what concern did you go to work?

Miss FLATTERY. Hibernia Homestead Association.

The CHAIRMAN. Talk a little louder.

Senator LONG. I cannot hear you.

Miss FLATTERY. Hibernia Homestead Association.

Mr. RIGHTOR. How long have you worked for the Hibernia Homestead Association?

Miss FLATTERY. Eight years.

Mr. RIGHTOR. What were your duties at the Hibernia Homestead Association?

Miss FLATTERY. Stenographer and assistant bookkeeper.

Mr. RIGHTOR. Where is the Hibernia Homestead Association located?

Miss FLATTERY. 636 Commercial Place.

Mr. RIGHTOR. Is it in the same building in which Colonel Sullivan's office is?

Miss FLATTERY. It is on the ground floor. His office is on the second floor.

Mr. RIGHTOR. He is attorney and notary for that concern, is he not?

Miss FLATTERY. That is right.

Mr. RIGHTOR. Was it necessary, in the performance of your duties for that Hibernia Homestead Association, for you to have to pay frequent visits to Colonel Sullivan's office?

Miss FLATTERY. I was as much in his office as I was downstairs.

Mr. RIGHTOR. After you severed your connection with the Hibernia Homestead Association, where did you go to work?

Miss FLATTERY. Internal Revenue Service.

Mr. RIGHTOR. When did you go to work in the Internal Revenue Department?

Miss FLATTERY. I think it was October 1933.

The CHAIRMAN. Last year?

Miss FLATTERY. 1933.

Mr. RIGHTOR. Have you any other method of support other than your earnings?

Miss FLATTERY. None whatsoever.

Mr. RIGHTOR. When the depression came on, was your salary with the Hibernia affected?

Miss FLATTERY. It was cut; yes, sir.

Senator LONG. I don't hear the lady.

Miss FLATTERY. Yes; it was cut.

Senator LONG. Just talk a little louder, please.

Miss FLATTERY. I will try.

Mr. RIGHTOR. Did you obtain other employment that would give you sufficient to live on?

Miss FLATTERY. I did.

Mr. RIGHTOR. What did you do?

Miss FLATTERY. At that time, Colonel Sullivan had no one keeping his books, and I asked him—at least his check book, and paying his bills, and I asked him if he would let me do that, and he said I could. He told me to name my price, and I named \$10 a month.

Mr. RIGHTOR. You agreed to keep his check book for \$10 a month?

Miss FLATTERY. I did.

Mr. RIGHTOR. How long ago was that?

Miss FLATTERY. I think it was the beginning of 1931.

Mr. RIGHTOR. 1931? Have you continued to keep Colonel Sullivan's check book?

Miss FLATTERY. I have.

Mr. RIGHTOR. When do you keep that check book?

Miss FLATTERY. I go there every Friday evening for $\frac{1}{2}$ hour.

Mr. RIGHTOR. How long does it take you to do that work?

Miss FLATTERY. Some weeks 15 minutes, some weeks a half an hour. It all depends on the bills, the amount of bills to be paid.

Mr. RIGHTOR. The amount of bills to be paid? Are you acquainted with Miss Pearl Maretzky?

Miss FLATTERY. I have known her for 8 years.

Mr. RIGHTOR. Are you young ladies intimate friends?

Miss FLATTERY. Very.

Mr. RIGHTOR. Where did you meet her?

Miss FLATTERY. I met her first when I went to work for the Hibernia Homestead. She was a stockholder there, and used to come in there, and that is how I met her, coming in the office.

Mr. RIGHTOR. Did you see her frequently around Colonel Sullivan's office, during this 8 years in which you and she have been intimate?

Miss FLATTERY. I did.

Mr. RIGHTOR. Do you often meet her for friendly or social purposes, since you have gone into the Internal Revenue Department?

Miss FLATTERY. I have been with her every day since.

Mr. RIGHTOR. Where do you meet her?

Miss FLATTERY. We go to lunch, and after we leave the office, we generally walk around. We sometimes go to Colonel Sullivan's office to wait for her sister, or to keep appointments that I have, daily, for 5:15.

Mr. RIGHTOR. You say you have appointments? Has she appointments for 5:15?

Miss FLATTERY. She goes with me lots of time.

Mr. RIGHTOR. What is the character of those appointments?

Miss FLATTERY. I have facial treatments.

Senator LONG. I cannot hear you.

Mr. RIGHTOR. She has facial treatments. She and Pearl go to the beauty parlor together. Is that it?

Miss FLATTERY. That is right.

Mr. RIGHTOR. Now, outside of dining, and going to beauty parlors and picture shows, and your devoting some 15 minutes or half an hour a week, after work, to making up these checks and bills, do you and Miss Maretzky have anything else to do with Colonel Sullivan's office?

Miss FLATTERY. No, sir.

Mr. RIGHTOR. Is your father living?

Miss FLATTERY. No.

Mr. RIGHTOR. Who do you rely on for advice?

Miss FLATTERY. No one that I know of.

Mr. RIGHTOR. What have been your relations with Colonel Sullivan?

Miss FLATTERY. Well, I have known him since I have been 15 years old. There is no relation that I know of.

Mr. RIGHTOR. Has he ever done anything for you?

Miss FLATTERY. Yes; he has helped me quite a few times, when I needed help.

Mr. RIGHTOR. In what way?

Miss FLATTERY. When he helped me get other positions, when I was supposed to take a leave from the Hibernia Homestead.

Mr. RIGHTOR. Has he helped to educate you?

Miss FLATTERY. Yes.

Mr. RIGHTOR. In what way?

Miss FLATTERY. He secured a teacher, about 4 years ago.

Mr. RIGHTOR. To do what?

Miss FLATTERY. To help me get a better line of English an advanced course in English.

Mr. RIGHTOR. Who paid for that?

Miss FLATTERY. He did.

Mr. RIGHTOR. Did you pay him back?

Miss FLATTERY. No, I did not; couldn't afford to.

Mr. RIGHTOR. Take the witness, Senator.

Senator LONG. Miss Maretzky's sister, you say, worked in the Home Loan?

Miss FLATTERY. Yes, sir.

Senator LONG. What is her name?

Miss FLATTERY. Mrs. Rosenthal.

Senator LONG. Mrs. Rosenthal? I guess she went in the Home Loan about the time Miss Pearl went into the internal revenue, or a little sooner?

Miss FLATTERY. I could not answer that.

Senator LONG. Couldn't answer that? Where was she working when she went in that office? The Home Loan?

Miss FLATTERY. I do not know.

Senator LONG. Do you know who put her in the Home Loan?

Miss FLATTERY. No, sir; I do not.

Senator LONG. So you still work for Colonel Sullivan, spend part or your time working there, and the balance working at the internal revenue?

Miss FLATTERY. A half hour a week; yes.

Senator LONG. Whatever time it takes to do Colonel Sullivan's work?

Miss FLATTERY. Yes.

Senator LONG. Miss Maretzky meets you there quite frequently? That is what you call a hang-out place?

Miss FLATTERY. She goes with me there.

Senator LONG. And you go there, as I understand it, not only when you work there, but you go there at other times, when you are not even working there?

Miss FLATTERY. We go on an average of twice a week.

Senator LONG. Go there and stay around a while, and wait for her sister, and all meet there, and go to lunch together?

Miss FLATTERY. That is right.

Senator LONG. In other words, that is a kind of what we would call a rendezvous?

Miss FLATTERY. If you want to call it that all right.

Senator LONG. Not only a place of continued employment, but it is also a place of sociability?

Mr. RIGHTOR. The witness has not said it is a place of continued employment.

Senator LONG. She says she still keeps his books.

Mr. RIGHTOR. But she has not said it is a place of continued employment.

Senator LONG. Well, what do you mean by "continued employment?"

The CHAIRMAN. Well, let us go ahead. The witness has testified that once a week for 15 or 30 minutes she keeps the books, as I understand it, and goes there occasionally to meet this other lady and her sister.

Senator LONG. Do you go there about twice a week?

Miss FLATTERY. Yes.

Senator LONG. Sometimes three times a week?

Miss FLATTERY. Sometimes. Very seldom.

Senator LONG. Sometimes four times a week?

Miss FLATTERY. No.

Senator LONG. Never have been there four times a week, since you have been in the internal revenue?

Miss FLATTERY. I do not ever remember of going there that many times.

Senator LONG. You would not say you had not been there four times in a week, would you, Miss Flattery?

Miss FLATTERY. I wouldn't say positive to anything.

Senator LONG. You gave on your application blank, I believe, that your employer was Mr. A. S. Cain?

Miss FLATTERY. One of the employers; yes.

Senator LONG. That is the only employer you gave?

Miss FLATTERY. Well, he is the secretary. Naturally, he has more to do at the Homestead than any other officer.

Senator LONG. But Mr. Cain does not personally pay you anything, does he?

Miss FLATTERY. No.

Senator LONG. No; and never did?

Miss FLATTERY. No. I gave him as a reference.

Senator LONG. Didn't you state in your application blank, that your employer was A. S. Cain?

Mr. FLATTERY. My employer was the Hibernia Homestead.

Senator LONG. That is correct.

Miss FLATTERY. If you will look at it correctly.

Senator LONG. Your employer was Hibernia Homestead, and Colonel Sullivan, wasn't it?

Miss FLATTERY. I did not put Mr. Sullivan's name on it.

Senator LONG. You didn't put the Hibernia Homestead on either, did you?

Miss FLATTERY. I put the Hibernia Homestead, and I gave Mr. Cain and Colonel Sullivan as reference.

Senator LONG. You deny that you gave as your employer A. S. Cain?

Miss FLATTERY. Maybe I did. I don't know.

Senator LONG. But he was not your employer, he was merely a secretary of the Homestead where you worked?

Miss FLATTERY. That is right.

Senator LONG. And you did not list Colonel Sullivan's name?

Miss FLATTERY. I don't remember.

Senator LONG. Do you remember who made out your application blank?

Miss FLATTERY. I did.

Senator LONG. You made your own out? You are competent, I take it.

Miss FLATTERY. Yes.

Senator LONG. If you did not put anybody's name in there but A. S. Cain, when as a matter of fact you were employed jointly by the Hibernia Homestead and Colonel Sullivan, and as you testified, you were as much in Colonel Sullivan's office as you were downstairs in the Homestead office, why was it that you only put Mr. A. S. Cain, who was not your employer?

Miss FLATTERY. I do not remember who I put, as I told you before. If I put Colonel Sullivan on that, I might have put him as employer. I may have put him as a reference. I do not remember, but I do know Hibernia Homestead is on there, and that is all that counts.

Mr. ROUGHTON. You do know you gave Hibernia Homestead as a reference?

Miss FLATTERY. Well, that is the truth.

Senator LONG. Would you have had any reason not to have put the Hibernia Homestead on there?

Miss FLATTERY. None whatsoever.

Senator LONG. Miss Flattery, I understood from Mr. Moore's testimony that you were out of the office only a couple of days?

Miss FLATTERY. That is right.

Senator LONG. Since your employment, one time, during March?

Miss FLATTERY. No; I don't remember. One time I was sick, and one day I took off.

Senator LONG. Did you go to Colonel Sullivan's office that day?

Miss FLATTERY. No; I did not.

Senator LONG. You did not work in Colonel Sullivan's office that day, during the time just before the income-tax period closed, on March 15?

Miss FLATTERY. I don't believe I did.

Senator LONG. Don't believe you did?

Miss FLATTERY. I feel sure I didn't.

Senator LONG. You did?

Miss FLATTERY. I did not.

Senator LONG. Did not? You still get \$10 a month from Colonel Sullivan for keeping his books?

Miss FLATTERY. I do.

Mr. RIGHTOR. Keeping his checkbooks, Senator.

Senator LONG. Keeping his checkbooks—whatever you call it. That is all the books I have got, is a checkbook. Did you give Mr. Moore an affidavit sometime ago about your employment?

Miss FLATTERY. I don't remember.

Senator LONG. Did you write out an affidavit about having worked for Mr. Sullivan and having worked for the Hibernia?

Miss FLATTERY. I don't remember.

Senator LONG. You did not give Mr. Moore an affidavit?

Miss FLATTERY. I do not remember. I did not say I did not give—

Senator LONG. Would it refresh your memory if I gave you a copy of an affidavit that you made out?

Miss FLATTERY. Yes.

Senator LONG. You wouldn't remember the affidavit, though, now.

Miss FLATTERY. Right now, I don't; no.

Senator LONG. You don't remember having given an affidavit on this matter then?

Miss FLATTERY. No, sir; I don't.

Senator LONG. All right. That is all, Mr. Chairman. I will ask to reserve the right to put into the record Miss Flattery's certified copies.

The CHAIRMAN. All right.

(The certified copy of Miss Flattery's application blank, introduced by Senator Long, is as follows:)

APPLICATION FOR POSITION IN COLLECTORS' OFFICES, DISTRICT OF LOUISIANA

APPLICATION FOR POSITION OF TEMPORARY DEPUTY COLLECTOR

Date: October 14, 1933.

Name: Evelyn Flattery. Address: 222 Atherton Dr. Phone: C-1419-W.

Date of birth: January 3, 1910. Place of birth: New Orleans, La.

Legal (voting) residence: Jefferson County, Louisiana.

Are you a citizen of the United States? Yes. Race: White. Married or single: Single.

Have you any chronic disease? No. Have you any defects in sight, hearing, speech, or limb? No. What is the present state of your health? Excellent.

Are you physically capable of a full discharge of the duties of the position sought? Yes.

What is your weight? 118 pounds. Height? 5 feet 5 inches.

Education

School (grammar, high, college)	Number of years	Graduate or degree	Year
Beauregard.....	8		1925
Spencer Business.....	1		1926
.....			
.....			

Describe any educational training taken up by you or course of study pursued by you at any time subsequent to leaving school, the nature of the training or study, and the period devoted to such training or study: 3 years night high school.

PRESENT OR MOST RECENT EMPLOYMENT

From September 9, 1926, to October 14, 1933.

Where employed: Hibernia Homestead Association.

Name of employer: A. S. Carn.

Position: Stenographer. Entrance salary (annual): \$50.

Present annual salary (or when leaving): \$70.

Describe duties briefly: Assistant bookkeeper, stenographer, file clerk.

Are you still employed? (Answer "yes" or "no"): Yes.

Have you ever been discharged from any employment, Federal or otherwise, or resigned any position under compulsion? No.

Have you ever been arrested, summoned into court as a defendant, convicted, fined, imprisoned, or placed on probation for breach or violation of any law? No.

Have you ever been employed by the Federal Government except as you may have already stated? No.

Have you ever taken a Federal civil-service examination? No.

Give the names and addresses of any persons, except the employers already named, who have knowledge of your experience and capacity: John P. Sullivan, 232 Balter Building; Sidney Freudenstein, 211 Poydras Street; Geo. H. Maginnis, Baronne Building.

Are there any members of your family in the United States Government service?
No.

Will you accept temporary employment? Yes.

Are you available for immediate appointment? Yes.

I solemnly swear that the answers that I have made to each and all of the foregoing questions are in my own handwriting and are full and true to the best of my knowledge and belief. So help me God.

(Signed) EVELYN M. FLATTERY.

Subscribed and sworn to before me by the above-named applicant this 14th day of October, 1933, at New Orleans, Parish of Orleans, and State of Louisiana.

[SEAL]

(Signature) [Not readable], Notary Public.

Commission expires at my death.

(To be answered by the collector.)

To your knowledge, does the applicant use intoxicating beverages, morphine, or opium? No.

Do you recommend the applicant as fully qualified for the position which he or she seeks? Yes.

Is the applicant related to you in any way? No.

(Signed) D. D. MOORE, Collector.

The CHAIRMAN. Did you do anything else in your employment, Miss Flattery, except to merely keep this checkbook, as I understand it, in Colonel Sullivan's office?

Miss FLATTERY. That is all; yes, sir.

The CHAIRMAN. That is all?

Senator LONG. Well, does that mean you paid the bills, wrote out the checks?

Miss FLATTERY. I paid the office force, which amounted to four, and paid his bills, but he generally pays his bills every 3 months.

Senator LONG. And when you were in his office, did you keep his accounts, other than his bank accounts?

Miss FLATTERY. I did not. He has no other, that I know of.

Senator LONG. Did you handle cash?

Miss FLATTERY. No; I did not.

Senator LONG. Just kept the bank account only, never handled the cash?

Miss FLATTERY. No.

The CHAIRMAN. Any other question?

Senator CLARK. Miss Flattery, may I ask, during your visits to Colonel Sullivan's office, have you ever discussed with Colonel Sullivan, or with anybody else in his office, any matters which have arisen in the internal-revenue department?

Miss FLATTERY. I very seldom ever saw him.

Senator CLARK. Well, just answer the question, please. Have you ever discussed that with anybody in that office? That is the gravamen of this charge, as I see it.

Miss FLATTERY. No, sir; I haven't.

Senator BARKLEY. In filling out these applications, I understand that the collector has a blank form that he requires all applicants to fill out.

Miss FLATTERY. Yes, sir.

Senator BARKLEY. Those who are seeking positions?

Miss FLATTERY. That is right.

Senator BARKLEY. And it has a blank space for references, and a blank space for your former employers, and several blank places that you are supposed to fill in?

Miss FLATTERY. Yes, sir.

Senator BARKLEY. In filling in these blanks for references, it is customary for applicants to put in somebody's name who will give them a pretty good name, I suppose, isn't it?

Miss FLATTERY. As a reference, that is all, I take it.

Senator BARKLEY. Well, as a reference, somebody who knows you, or somebody who can tell about you, and that is what you did? As a matter of form, you filled in that blank place with Mr. Cain, I believe.

Miss FLATTERY. If I am not mistaken, I think all applications require three references, and as to the three I gave——

Senator BARKLEY. Three references; and you gave Mr. Cain as one of them, and he was the secretary of this Hibernia Homestead where you had been working?

Miss FLATTERY. Yes.

Senator BARKLEY. And if you put him as a reference, or as your employer, you wouldn't be far wrong, in either case, would you?

Miss FLATTERY. Well, I worked for the company.

Senator BARKLEY. If he was the secretary of the company you worked for you might regard him as your employer, as well as your reference? That is all.

The CHAIRMAN. That is all, Miss Flattery.

(Witness Flattery excused.)

The CHAIRMAN. Who is the next witness?

TESTIMONY OF MISS PEARL MARETZKY, NEW ORLEANS, LA.

Mr. RIGHTOR. I will call you, "Miss Pearl". It is easier than Maretzky. Miss Pearl, where do you live?

Miss MARETZKY. No. 1819 Fourth Street, New Orleans.

Mr. RIGHTOR. How long have you lived in New Orleans?

Miss MARETZKY. All my life.

Mr. RIGHTOR. How long is your life?

Miss MARETZKY. Thirty-five years.

Senator LONG. I object to that. I move it be stricken out.
[Laughter.]

Mr. RIGHTOR. How long have you been working?

Miss MARETZKY. Over 15 years.

Mr. RIGHTOR. Who do you live with?

Miss MARETZKY. My sister, Mrs. Alperin.

Mr. RIGHTOR. Where did you first work?

Miss MARETZKY. I have held several positions. Worked for Lyle Richardson, of New Orleans, grain exporters. That was in 1918.

In 1922 I entered the employment of Colonel Sullivan, and I have been employed, off and on, in his office, for the past 12 years.

Mr. RIGHTOR. How long did you work for Sullivan, when you first went to work?

Miss MARETZKY. My niece entered his employment in 1920. She resigned in 1925, to be married. After she resigned, I held her position for several months. Then, Judge Percy Saint the attorney general of Louisiana, offered me temporary employment, and it developed into a

permanent position which lasted 6 years. I lost my position in May 1932.

Mr. RIGHTOR. What did you make, at Judge Saint's office?

Miss MARETZKY. \$150 a month.

Mr. RIGHTOR. Now, when your employment ceased with Judge Saint, it was because he went out of office?

Miss MARETZKY. He went out of office.

Mr. RIGHTOR. Yes; and you then did what?

Miss MARETZKY. I was out of employment for a few months. I called on Colonel Sullivan for a reference, and he said he would try to do what he could to get me employment. A couple of weeks passed, and I received a phone call to come down to his office, the Elks had a campaign on for soliciting new members. I was employed there at a salary of \$15 a week, to work for the Elks, and Colonel Sullivan allowed me \$5 additional, to make ends meet. I worked there from November 1932 to October—to June 1933 for the Elks. Then, the young lady in Colonel Sullivan's office was married. I was employed under Mr. Sessler to handle the legal work, as his stenographer, in June, and I held that position until I went on my vacation. Colonel Sullivan gave me 2 weeks' vacation, and on account of sickness in the family I stayed away for 5 weeks. When I returned, there was someone in my place, Mr. Marvin Potter. He still holds that position, as stenographer to Mr. Sessler, writes the colonel's few letters, whatever he has.

Mr. RIGHTOR. And when did you go into the internal-revenue office?

Miss MARETZKY. October 23, 1933.

Mr. RIGHTOR. And you have been there ever since?

Miss MARETZKY. Ever since; yes, sir.

Mr. RIGHTOR. What do you do?

Miss MARETZKY. Stenographer and typist in the processing department.

Mr. RIGHTOR. Have you had leaves of absence while you were there?

Miss MARETZKY. Yes; on account of sickness. There is lots of sickness in my family, and it is necessary for me to take care of them, to be with my sister, because she is always alone. On January 9 and 10, and February 6, through the 14th—

Mr. RIGHTOR. You had leaves of absence?

Miss MARETZKY. Yes, sir.

Mr. RIGHTOR. Were you docked for the time you were off?

Miss MARETZKY. Sure. I expected to be, because I was a temporary employee. I was only employed for 90 days.

Mr. RIGHTOR. Well, Senator, suppose you take the witness.

Senator LONG. I believe you say you go back to Colonel Sullivan's office about three times a week.

Miss MARETZKY. I do.

Senator LONG. You go back there for social purposes, as I understand?

Miss MARETZKY. To write personal letters. Miss Flattery and I are inseparable. We always go together, but sometimes I go alone.

Senator LONG. You write personal letters there only?

Miss MARETZKY. Well, in one instance I went there to get some information.

Senator LONG. From whom?

Miss MARETZKY. From Colonel Sullivan's files.

Senator LONG. How many personal letters do you write there, Miss Maretzky? I don't know myself. I am just trying to find out.

Miss MARETZKY. I like to write on the typewriter. I am always copying things from newspapers, and different articles. I have friends I correspond with.

Senator LONG. And you do that kind of work over there?

Miss MARETZKY. Sure. Because it is only official business in the internal revenue office.

Senator LONG. And you carry on your personal correspondence—

Miss MARETZKY (interrupting). Sure. We cannot telephone or anything in the office. They are very strict.

Senator LONG. And you go down to Colonel Sullivan's office to do all those kind of things.

Miss MARETZKY. Sure. I know that I am welcome there. He never sees us, though. He is very busy in his office.

Senator LONG. You copy things out of newspapers also.

Miss MARETZKY. Anything that interests me, because I like to type.

Senator LONG. It does not take all of your time in the internal revenue office, and you like to be doing something of this kind, to please you.

Miss MARETZKY. Well, I am always kept busy. Sometimes I wait for my sister until very late. She works until 11:30 some nights at the Home Loan Bank. She reports about 8:30 in the morning and works sometimes until 11:30 at night.

Senator LONG. That means you would have to stay around there very late.

Miss MARETZKY. No, I wait and go to supper with her. 6:30 and 7:00 o'clock at the very latest.

Senator LONG. Two or three hours is the usual time?

Miss MARETZKY. No. Sometimes a minute or so. Miss Flattery and I, as I said, she and myself leave together and we go to Miss Wallace for facials, or we have different other treatments.

Senator LONG. But your sister does not come until 11:30?

Miss MARETZKY. Eleven-thirty? I am not kept there that late.

Senator LONG. You used that hour.

Miss MARETZKY. I said she works at the Home Loan Bank until 11:30.

Senator LONG. You said sometimes you were kept there late because your sister did not get off. Maybe I misunderstood you.

Miss MARETZKY. You surely did.

Senator LONG. What is your sister's name?

Miss MARETZKY. Mrs. Irma Rosenthal.

Senator LONG. When did she go to work in the Home Loan Bank?

Miss MARETZKY. In January 1934, if I am correct. It was about 3 months after my employment in the internal-revenue office.

Senator LONG. Did you have anything to do with assisting your sister in getting that position?

Miss MARETZKY. She was a young married woman, and she needed work, and she knew Mr. E. R. Showalter when she was single. He is the State counsel for the Home Loan Bank. She phoned him and asked for employment, and was given 90 days employment. Her

employment was satisfactory and she was given \$85 a month as stenographer.

Senator LONG. Mr. Showalter—is he any relation to Mr. Sullivan of Mr. Rightor?

Mr. RIGHTOR. He is my nephew.

Miss MARETZKY. I had worked for Mr. Showalter in Judge Saint's office, and that is how we knew him.

Senator LONG. Mr. Sullivan's lawyer here, Mr. Rightor's nephew, is in the home-loan bank, and your sister was employed by him, as I get it?

Miss MARETZKY. Because I had worked 6 years for Mr. Showalter. He was an assistant there.

Senator LONG. Have you confined your activities in that department only to the processing tax?

Miss MARETZKY. When I first entered the employment in the internal-revenue office, Mr. Fontenot placed me in the income-tax office where I was for 2 weeks. There was a vacancy in the field department. I was there for about a month.

Senator LONG. Then you went in the field department?

Miss MARETZKY. The field department; I was about a month copying reports and different other matters.

Senator LONG. That is the field department of income tax?

Miss MARETZKY. Yes; it has something to do with the income tax.

Senator BARKLEY. What is the field department? It is the field department of all sorts of taxes, isn't it?

Miss MARETZKY. No, sir. Delinquent income taxes.

Senator LONG. Delinquent income tax in the field department. Then what did they put you doing?

Miss MARETZKY. About the middle of December, there was a vacancy in the processing tax division, and I was transferred.

Senator LONG. Did I understand you to say that you were only employed temporarily for 90 days?

Miss MARETZKY. It was continued after the 90 days lapsed. I was given an extension of 90 days.

Senator LONG. You were employed temporarily for 90 days?

Miss MARETZKY. Yes, sir.

Senator LONG. And you did income-tax work, and then other work, and you were copying and helping in the work of collecting delinquent income tax?

Miss MARETZKY. I was copying reports.

Senator LONG. Did you know a gentleman there by the name of Hayman?

Miss MARETZKY. Never met him.

Senator LONG. Was that the name mentioned here the other day?

Mr. RIGHTOR. Yes.

Senator LONG. You did not know Mr. Hayman?

Miss MARETZKY. I did not know him.

Senator LONG. They were doing considerable work on delinquent income tax?

Miss MARETZKY. No; not very much on delinquent. We had lots of reports and different other matters to straighten out. It was the end of the year.

Senator LONG. Do you remember some of the cases that you were working on?

Miss MARETZKY. No, sir.

Senator LONG. Would you remember one if I were to recall it to you?

Miss MARETZKY. Maybe.

Senator LONG. Were you working on the case of Mr. Gay?

Miss MARETZKY. No; I don't remember that case, because they had two other stenographers in that department, a Miss Collins and another young lady.

Senator LONG. Miss Collins and another young lady. Who was the other lady?

Miss MARETZKY. I cannot remember her name right now.

Senator LONG. There was a drive on, as I understand it, for some delinquent income tax at that time, or was that just the ordinary work that were ordinarily doing?

Miss MARETZKY. They were clearing up the 1932 delinquents.

Senator LONG. 1930, 1931, and 1932?

Miss MARETZKY. Very few for 1930. It was 1932, if I remember correctly.

Senator LONG. Clearing up the 1932 delinquents?

Miss MARETZKY. Yes, sir.

Senator LONG. And you were put in there in connection with that work?

Miss MARETZKY. They needed me because they had extra work in that department.

Senator LONG. That was coincident with some publicity work that they were doing to indict some 100 Huey Long men, wasn't it? That same month of December, when you were placed in that office, was coincident with the publicity that they were going to indict 100 Huey Long men?

Miss MARETZKY. I don't remember.

Senator LONG. You don't recall that. But you were in there at the time this extra work was going on?

Miss MARETZKY. In December?

Senator LONG. You stated that.

Miss MARETZKY. If I was in there, I kept very busy.

Senator LONG. You don't remember the Gay case?

Miss MARETZKY. No; I do not, because they had other stenographers.

Senator LONG. Did they not have you on the Mastry case?

Miss MARETZKY. No. If you look up the records, maybe that was handled a month or two previous.

Senator LONG. It may have been handled a month or two previous. You know you did not. I will take your word for it. When was it handled?

Miss MARETZKY. I don't know. I told you I don't remember, and I have a pretty good memory when it comes to names.

Senator LONG. So you have worked in the three departments since you have been there?

Miss MARETZKY. I was transferred by letter. I proved to be efficient in every department, and every time a desk would get heavy, they thought I could handle it better than the next one. I could turn out more work in 1 hour than others can in a day.

Senator BARKLEY. Would you like to come to Washington?

[Laughter.]

Senator LONG. That is all.

The CHAIRMAN. Let me ask you before you leave. Did you ever in any of your visits to Colonel Sullivan's office, or anybody else's office, discuss matters with anyone that had happened in the collector's office?

Miss MARETZKY. No, sir. I have always held confidential positions, and they trust me; everyone that I have ever worked for. I can give the highest reference, and anyway, Colonel Sullivan would not be interested.

Mr. RIGHTOR. Colonel Sullivan, will you take the stand?

Senator LONG. I assume this will take considerable time, and I have those three bank examiners here, and they are needed back there, badly.

The CHAIRMAN. I think we had better finish with Colonel Sullivan right now.

(Senator Long subsequently furnished the copy of Miss Maretzky's application blank which is as follows:)

APPLICATION FOR POSITION IN COLLECTORS' OFFICE, DISTRICT OF LOUISIANA

APPLICATION FOR POSITION OF STENOGRAPHER-SECRETARY

Date: October 15, 1933.

Name: Pearl Maretzky. Address: 1819 Fourth Street. Phone: Jac. 0465W.

Date of birth: December 31, 1896. Place of birth: New Orleans, La.

Legal (voting) residence: Twelfth ward, twelfth precinct, Orleans Parish, New Orleans, La.

Are you a citizen of the United States? Yes. Race: White. Married or single: Single.

Have you any chronic disease? No. Have you any defects in sight, hearing, speech, or limb? No. What is the present state of your health? Good.

Are you physically capable of a full discharge of the duties of the position sought? Yes. What is your weight? One hundred fifteen pounds. Height? Five feet 5 inches.

Education

School (grammar, high, college)	Number of years	Graduate or degree	Year
McDonogh No. 7.....	8 years.....		
Soule's College.....	9 months..	June 1915 (graduated).....	1914-15

Describe any educational training taken up by you or course of study pursued by you at any time subsequent to leaving school, the nature of the training or study, and the period devoted to such training or study: Experienced in various business offices.

PREVIOUS EMPLOYMENT—LAST OR PRESENT EMPLOYMENT

From August 1932 to October 1933.

Where employed: John P. Sullivan's office.

Name of employer: Col. John P. Sullivan.

In case of change of name, give name as it appeared on the rolls of the office where employed: John P. Sullivan.

Position: Stenographer-secretary. Entrance salary (annual): \$1,080.

Present annual salary (or when leaving): \$1,080.

Describe fully your duties: Secretary and legal stenographer, also file clerk.

Are you still employed? (Answer "yes" or "no"): Resigned October 14, 1933.

State below (in form similar to the above) the position or positions you have occupied for the 3 years immediately preceding your employment above described: Judge Percy Saint, attorney general of Louisiana; New Court Building, stenographer, 6 years; W. L. Richeson Co., stenographer-secretary, 5 years under Mr. Richeson and Mr. Whitehead; stenographer-secretary Peyton R. Sandoz, attorney for supervisor public accounts, Baton Rouge, La.

Have you ever been discharged from any employment, Federal or otherwise, or resigned any position under compulsion? No. If so, state reasons: No.

Have you ever been arrested, summoned into court as a defendant, convicted, fined, imprisoned, or placed on probation for breach or violation of any law? No.

Have you ever been employed by the Federal Government except as you may have already stated? No.

Have you ever taken a Federal civil-service examination? No.

Were you ever in the United States Military, Naval, Marine Corps, or Coast Guard Service? No.

Give the names and addresses of any persons, except the employers already named, who have knowledge of your experience and capacity: Hon. E. R. Schowalter, attorney, New Orleans, La.; Hon. Wood Thompson, attorney, Winnaboro, La.; Col. John P. Sullivan, attorney, New Orleans, La.

Are there any members of your family in the United States Government service? No.

Will you accept temporary employment? Yes. Are you available for immediate appointment? Yes.

I solemnly swear that the answers that I have made to each and all of the foregoing questions are in my own handwriting and are full and true to the best of my knowledge and belief. So help me God.

(Signed) PEARL MARETZKY.

Subscribed and sworn to before me by the above-named applicant this 16th day of October 1933, at New Orleans, Parish of Orleans, and State of Louisiana.

[SEAL]

(Signature) [not readable], Notary Public.

Commission expires at my death.

(To be answered by the collector)

To your knowledge, does the applicant use intoxicating beverages, morphine, or opium? No.

Do you recommend the applicant as fully qualified for the position which he or she seeks? Yes.

Is the applicant related to you in any way? No.

(Signed) D. D. MOORE, Collector.

STATEMENT OF JOHN P. SULLIVAN

(Witness was duly sworn by the chairman.)

Senator LONG. Are you going to hold until 12 o'clock today?

The CHAIRMAN. Yes.

Senator LONG. I have these three bank officials here from Louisiana, and I should like to get through with them and have them go back home.

The CHAIRMAN. I imagine that some of those others want to go back also, and they have not been here a week like these other gentlemen have.

Senator LONG. There is no doubt that Colonel Sullivan will be here until we get through. I want to get through with these other witnesses.

Mr. RIGHTOR. I will be very brief with Colonel Sullivan. Much briefer than you will probably be.

Senator LONG. Maybe that is so.

Mr. RIGHTOR. Colonel, will you very briefly say where you were born, how you were raised, and who you are?

Mr. SULLIVAN. I was born in New Orleans on March 5, 1875. I am now 59 years of age. I was educated at the Jesuit college of the city of New Orleans. Mr. Rightor, as stated by himself, knows me over 50 years. I met Mr. Rightor first on a bench in a preparatory class in that Jesuit college when he was 9 years of age and I was 8. I graduated from the Jesuit college in 1892 and received the degree of

bachelor of sciences. My father was in the grocery business. He was taken ill. I could not enter Tulane University at that time, because I had to take his place. I worked for a year in his grocery store running his business. The following year I entered the academic department of Tulane University. In 1895, from Mr. Charles F. Buck, I received an appointment to the United States Military Academy at West Point. I failed in a general review, in mathematics, and I returned to New Orleans, and I immediately began the study of law. I had read law sometime before then. I entered Tulane University and I received the degree of Bachelor of Law from Tulane University in 1898, just at the outbreak of the Spanish-American War. Prior to going to the Military Academy I had been a lieutenant in the Louisiana Field Artillery, which was an old organization, organized in 1868 from the Confederate soldiers who had returned from the war, and in 1898 there were five batteries of light artillery. I was selected by the commanding officer, Colonel Thompson, to take out the Louisiana Field Artillery battery of light artillery. We were detailed at Jackson Barracks. There were three batteries there—the Washington Artillery Battery, known as Battery B, the Donaldsonville Battery, known as Battery C, and my battery, the Louisiana Field Artillery, was known as Battery A.

Upon the departure of Captain Manning from the post, I commanded the post. My battery was mustered out after an honorable career, and we were all given honorable discharges.

I returned immediately to the practice of law in the city of New Orleans, and I engaged in that practice continuously ever since. I have never held political positions, because my law business has been a good law business. I occupied the position of assistant city attorney under the late Samuel L. Gilmore, who afterwards came to Congress, and I was kept very active in that office, so much so that at the end of 2 years I resigned that office; and thereafter Mr. Haggerty became the fire marshal, or rather the attorney, and he had resigned and he asked me to be the attorney, and I accepted it. I think it paid a salary of \$150 a month; and later on the State rating insurance board was combined with it, and I became the joint attorney of the bond marshal and the State rating insurance board. That board fixed insurance rates; and after about 2 years experience with that board, that board was put out of business and I helped to put it out of business. Thereafter I continued to practice law. In fact, I have always, no matter what position I held, I have always continued to practice my profession and to hang on to the little clients, because in times of need and in times of adversity it is the little fellows that you work for that keep you going.

In 1915 I was, like Mr. Rightor—in 1913 I was a member of the constitutional convention of Louisiana, which was a convention limited in scope, called for the purpose of refinancing the tax matters of Louisiana. In 1915 I was, just like my friend, Mr. Rightor—we were both elected to a constitutional convention, and while we were all dressed up with no place to go, the convention was never held.

And in 1921 I was sent as a delegate to the constitutional convention, one unlimited in its scope, without restrictions. I was chairman of the important committee of final style and revision, making hundreds of reports to that committee, and many of those reports

were adopted by that committee. I was likewise a member of the committee of coordination on ordinances sent in to the committee prior to adoption. I was also a member of the committee on suffrages and elections.

My law work—Senator Long says—well, I actively practiced law and tried cases in the Federal and the State courts of New Orleans for a period of 25 years, and as you grow older in law business and your clients increase and you have assistants you do not go to court as often as you used to. However, I go to court whenever I have an important matter, when my clients ask me to. The last case I argued in the Supreme Court was a littler over a year ago.

That is about the extent of my knowledge of myself. I am married. I have a daughter who is married to Dr. Gardner, and I have a grandchild.

Mr. RIGHTOR. In the Congressional Record at page 5385, in a speech of Senator Long, he says that—

John P. Sullivan of New Orleans, at whose instance the public press says Mr. Moore was appointed.

You heard my statement of the genesis of the recommendation of Mr. Moore for this position. Was that statement correct?

Mr. SULLIVAN. That statement was correct.

Mr. RIGHTOR. At page 5386, Senator Long, in continuing his remarks, says, referring to you:

I tell the Senate that Sullivan is a gambling king and a gangster of the highest order and type, or rather the lowest order and type.

Have you ever had any connection with gambling?

Mr. SULLIVAN. I have never had any connection in my life with gambling. I do not know how to gamble. I know nothing about it. I may say, perhaps to my mortification, that I do not know how to roll dice. I do not know gambling of any kind. I do not know how to read even a racing form.

Mr. RIGHTOR. Now, Colonel Sullivan, a young man named Gatlin took the stand, and whilst he did not say, he insinuated that you profited by race-horse handbooks. Is that a fact?

Mr. SULLIVAN. That is not a fact.

Mr. RIGHTOR. Did you ever take an active part in endeavors to suppress handbooks in New Orleans?

Mr. SULLIVAN. Yes, sir; I have taken an active part in the suppression of handbooks.

Mr. RIGHTOR. Mr. Gatlin was once employed by you as a young lawyer, was he not, in your office?

Mr. SULLIVAN. Mr. Gatlin came to my office—

Mr. RIGHTOR (interrupting). Just say yes or no.

Mr. SULLIVAN. Yes.

Mr. RIGHTOR. Was he discharged or did he resign?

Mr. SULLIVAN. Mr. Gatlin was discharged.

Mr. RIGHTOR. Now, Colonel Sullivan, at page 5386 of the Congressional Record, Senator Long continues his speech and says:

The Times-Picayune went further to quote the words of Mr. Walter Elder, a State Senator, who was at one time a Member of Congress, praising Congressman Riley Wilson, as follows: "Riley Wilson was not running into the back doors of the offices of John P. Sullivan. He was not hobnobbing with these gamblers in New Orleans."

I ask permission to read into the record the duplicate of a letter of March 27, 1934, signed by Mr. Walter Elder and addressed to Senator Pat Harrison—

Senator LONG (interrupting). Mr. Chairman, again I am going to ask to invoke the rule that has been invoked against me, that these witnesses be not permitted to testify by letter.

The CHAIRMAN. Did I receive such a letter?

The CLERK. Yes, sir.

The CHAIRMAN. Let me have the original.

Senator LONG. I admit that it is a genuine copy of the original letter, if that is the point, but—

Mr. RIGHTOR (interrupting). It is admitted that this letter that I am about to read—

Senator LONG (interrupting). But I object to that form of testimony—testifying by letter. That is the objection I am making.

The CHAIRMAN. I want to see the letter first. Pass on to some other matters.

Senator LONG. Let it go in. I want to try to get to the bank examiners.

(The letter referred to is as follows:)

ELDER & ELDER,
Ruston, La., March 27, 1934.

Senator PAT HARRISON,
Washington, D.C.

DEAR SIR AND FRIEND: I see by the Congressional Record of March 23 on page 5386, Senator Huey Long quotes the Times-Picayune as saying that I said: "Riley Wilson was not running into the back doors of the offices of John P. Sullivan. He was not hobnobbing with these gamblers in New Orleans."

The speech was supposed to have been made on July 9, 1927. It has been so long ago that I do not remember accurately what I did say. I know I referred to Colonel Sullivan and also to the gamblers in New Orleans; however, I am sure that I did not refer to Colonel Sullivan as a gambler. I have known Mr. John P. Sullivan for many years. He is an elegant gentleman and I have always found him to be a man of his word. He was formerly grand exalted ruler of the Elks. I am sure that the Elks of the United States would not have elected such a man as their chief officer as Senator Long says that Colonel Sullivan is.

What Senator Long should have told the Senate was that I was talking about him as he was attempting to sing psalms and quote the Bible in north Louisiana and talking about the ward bosses, and at the same time he was running down to New Orleans into the back door of Colonel Sullivan's as the biggest ward boss in New Orleans, and he was also hobnobbing with the gamblers of New Orleans.

With best regards, I remain, your friend,

WALTER ELDER.

Mr. RIGHTOR. Senator Long has referred to the fact that you have been criticized by the newspapers of New Orleans. I ask the committee's permission to file into the record a copy of the New Orleans Item editorial of Friday evening, May 12, 1922, commenting favorably upon Colonel Sullivan, and ask for permission to read that and substitute a photostat copy of that editorial.

(The following telegram was sent to the clerk of the committee by Mr. Edward Rightor, and photostatic copies of the editorial referred to are also on file with the clerk:)

NEW ORLEANS, LA., Apr. 15, 1934.

F. M. JOHNSTON,
Clerk Senate Finance Committee, Washington, D.C.:

During the Senate Finance Committee hearing on the confirmation of D. D. Moore, internal revenue collector, district of Louisiana, I offered an editorial which appeared in the New Orleans Item, New Orleans, La., Friday evening May 12, 1922. The said editorial is as follows:

"JOHN P. SULLIVAN

"Men come and go, but causes survive. John P. Sullivan's retirement from active leadership of the Orleans Democratic Association was not the result of any desire on the part of this newspaper, or any of those actively responsible for its policies. It was a pleasure to welcome him into the ranks of active workers for better government and better things in New Orleans and Louisiana. From time to time we may have differed with him. But years of active contact with him brought to the Item a new view of Colonel Sullivan, and showed a side of the man the existence of which we had suspected only in a general way.

"He identified himself with a hard, laborious, and in many ways unsatisfactory and ungrateful work. By what he did, and helped to do, he has written himself down as one of the big figures of the State. Colonel Sullivan has real talent, great ability, and a magnetic personality. He can spend his time, effort, and substance ungrudgingly for a cause. He sacrificed an easy berth, a secure position, and large revenue, and personal and political affiliations of a lifetime. He left an easy way and took up the difficult way. It may be that he was trying to lead forces that were incompatible—to weld a wooden handle to the pewter spoon.

"He did a big job for his city and State. He did a big job for his country. He impressed himself on the community as a real leader.

"So here's to Colonel Sullivan. We have met him as an opponent, and have fought with him as an ally.

"We wish him luck."

I certify that the editorial quoted herein has been copied from the files of the New Orleans Item and that the same is reproduced hereinabove word for word and is correctly quoted in every detail. Therefor please include this editorial in the record.

EDWARD RIGHTOR,
Attorney for John P. Sullivan.

Mr. RIGHTOR. Now Colonel, at page 5386 of the Congressional Record, referring to you and Colonel Bradley, Senator Long in his speech to the Senate says:

They have chained that section down with gambling dives extending from Florida clear up through to New Orleans and other parts of the country.

Have you ever had any interest in any gambling dive whatsoever?

Mr. SULLIVAN. None whatsoever.

Mr. RIGHTOR. At page 5388:

Today, under D. D. Moore there are 85 employees, all of whom have to have the O.K. of John P. Sullivan before they could get the job.

Now, you heard my recital on the stand of what I considered the facts. Was that recital correct or incorrect?

Mr. SULLIVAN. That recital was correct.

Mr. RIGHTOR. On page 5388, the Senator says, referring to Sullivan:

He took his own office organization and made them the organization of the collector of internal revenue.

You have heard my testimony and you have heard the testimony of Miss Maretzky and the testimony of Miss Flattery. Is their testimony and my testimony correct?

Mr. SULLIVAN. Your testimony and the testimony of those young ladies is correct.

Mr. RIGHTOR. Now, Colonel Sullivan, at page 5389 of the Congressional Record, Senator Long goes on with his speech and says:

Sullivan is an attorney who has never been to court. He is a peculiar lawyer. He has never tried a lawsuit in court in his life, but he gets fees to fix tax matters.

Is it a fact that you have never been in court, that you have never tried a lawsuit in your life, and that you get fees to fix tax matters?

Mr. SULLIVAN. I have tried hundreds of cases in the courts of Louisiana and in the Federal courts. I have never had in the city

of New Orleans any interest in any internal-revenue matter. I have never taken a case in the internal revenue. There are lawyers in New Orleans who specialize in tax matters, and in order to practice before that Department, as I understand it, you must have qualified. You must have a certificate. I have no such certificate. I have never directly or indirectly had any interest in any tax matter in the internal revenue office. I had at one time an interest in a tax matter that arose out of the internal revenue office in New Orleans, and that was years ago, and that was a claim for a rebate on a tax matter paid by the Louisiana Jockey Club, claimed in error, and that matter was handled by Mr. Rush L. Holland of Washington, D.C., of the firm of Holland & Strong. I recommended to the Jockey Club that they employ him.

The CHAIRMAN. How long ago was that?

Mr. SULLIVAN. That was, I take it, about 1926 or 1927. Not later than 1928.

Mr. RIGHTOR. At page 5389, Senator Long continues his speech and refers to the road bonds of Louisiana and says, speaking of you:

He had stolen the \$61,000,000 in that State—

Senator LONG (interrupting). That is a mistake. It should be "They have stolen". I meant to correct that in the permanent Record.

Mr. RIGHTOR (continuing):

And I told them that that gangster and dive keeper would not be allowed to steal the 30,000,000 as he had stolen the 61,000,000.

Is that correct? Did you steal 61,000,000?

Mr. SULLIVAN. No. I neither stole 61,000,000 or any part of it, or 30,000,000 or any part of it, or attempted to steal it.

Mr. RIGHTOR. On the same page, Senator Long, going on, says this, referring to you:

He told me that a man by the name of F. P. Crist—

Senator LONG (interrupting). Kriss. K-r-i-s-s.

Mr. RIGHTOR. Reading from the Record:

Crist was his partner and Bradley's partner, and were going to open up a gambling dive on Metairie Ridge.

Is that a fact?

Mr. SULLIVAN. Kriss is not a partner of Bradley's nor was he a partner of mine. And I have no interest, directly or indirectly, with Kriss. The only interest I have with Colonel Bradley was as an owner of shares of stock in the Louisiana Jockey Club and nothing else.

Senator LONG. The question is not fully answered, Mr. Rightor.

Mr. RIGHTOR. I asked if it is correct. Is that correct?

Mr. SULLIVAN. Read the question.

Mr. RIGHTOR. I ask you if what is contained in the Congressional Record is true?

Mr. SULLIVAN. What is the charge?

Senator LONG. Read it all.

Mr. RIGHTOR (reading):

Sullivan came to me and told me that a man by the name of F. P. Crist—

Senator LONG (interrupting). It ought to be K-r-i-s-s.

Mr. RIGHTOR (continuing)—

was his partner and Bradley's partner and was going to open up a gambling dive on Metairie Ridge.

Is that correct?

Mr. SULLIVAN. That is not correct.

Mr. RIGHTOR. Is it correct about a man by the name of Kriss?

Mr. SULLIVAN. That is not correct.

Mr. RIGHTOR. On page 5390, the Senator proceeds with his speech and says:

When these two secretaries finish their work over in the revenue office, Moore's office, they go to Sullivan's office and complete their day's work.

You have heard the testimony of these two young ladies and of myself. Is our testimony correct or is Senator Long's statement correct?

Mr. SULLIVAN. Your testimony is correct.

Mr. RIGHTOR. On page 5390 this is stated, "Joe Gardiner, one of Sullivan's relatives that he has had around his office, he has put over there in the internal-revenue office." Is Joe Gardiner related to you?

Mr. SULLIVAN. Joe Gardiner is not related to me. Never been around my office. Never saw Joe Gardiner until the time he came to see me and asked me to say a word in his behalf to Mr. Moore.

Mr. RIGHTOR. You have heard Mr. Moore testify that Mr. Gardiner was recommended to him by Mr. Crawford H. Ellis, manager, and Mr. Percy Parks, assistant manager of the United Fruit Co., with which he had been employed. Is that correct?

Mr. SULLIVAN. I know that to be correct.

Mr. RIGHTOR. On page 5395 of the Congressional Record, Senator Long makes this statement:

This question cannot be settled on that basis, because this man Sullivan was a member of the delegation opposing Roosevelt at the Chicago convention.

Were you a member of the delegation opposing Roosevelt at Chicago convention?

Mr. SULLIVAN. I was not.

Mr. RIGHTOR. Were you present at the Chicago convention?

Mr. SULLIVAN. I was not.

Senator LONG. Mr. Rightor, will you permit a suggestion? In your questions to Colonel Sullivan about the road matter—

Mr. RIGHTOR (interrupting). I will turn him over to you for cross-examination.

Senator LONG. I just wanted you to ask him whether or not—

Mr. RIGHTOR (interrupting). I am not going to ask him any questions on your suggestions. I am examining the witness.

Senator LONG. All right.

Mr. RIGHTOR. On page 5397, Senator Long says, referring to you: "He did not support either Roosevelt or the Democratic Administration." Is that a true statement?

Mr. SULLIVAN. That statement is not true.

Mr. RIGHTOR. On page 5399, referring to Mr. Moore's incumbency of the public librarian in New Orleans, Senator Long says, "Sullivan put him in there and I had him kicked out."

Mr. RIGHTOR (continuing). Did you put him in there?

Mr. SULLIVAN. I knew nothing of Mr. Moore's election or selection as librarian until I read it in the newspapers. I had nothing to do with it directly or indirectly.

Mr. RIGHTOR. On page 5399, on questioning from Senator Clark, Senator Clark asked, referring to you:

Is it not a fact that 2 or 3 weeks after the Senator's nomination for governor, in the spring of 1928, Mr. John P. Sullivan and Col. Robert Ewing got up a large banquet in New Orleans at which the Senator was the guest of honor?

Mr. Long says:

That is not true.

Is that statement of Senator Clark contained in his question true or is Senator Long's statement true?

Mr. SULLIVAN. Senator Clark is correct. Colonel Ewing and I got up a banquet and called in Mr. William Dillon, who had a list of regular banquet attendants.

Mr. RIGHTOR. All right.

Senator BARKLEY. Was that banquet given in honor of Senator or Governor Long?

Mr. SULLIVAN. That banquet was given in honor of Senator Long, the purpose being to have the business men of New Orleans meet him after he was elected governor, for the reason that the business community of New Orleans did not support him, and most people who attended there were the business people, and I was present at the banquet at the speakers' table.

Mr. RIGHTOR. When Senator Long opened his campaign in Alexandria for Governor—

The CHAIRMAN (interrupting). Did the Senator accept the invitation? Was he present?

Mr. SULLIVAN. The Senator was muchly present; yes, sir.

Mr. RIGHTOR. When Senator Long opened his campaign for governor in Alexandria, who presided?

Mr. SULLIVAN. Senator John Overton.

Mr. RIGHTOR. Were there any speakers from New Orleans?

Mr. SULLIVAN. Yes. I was the principal speaker from the city of New Orleans at Senator Long's opening meeting in Alexandria, La. At that time I was the head of the New Orleans regular Democratic organization, and our organization had brought to Alexandria with our band, three trainloads of people for his meeting.

The CHAIRMAN. Was this when he was a candidate for the Senate?

Mr. SULLIVAN. No, sir; when he was a candidate for Governor.

Senator BARKLEY. What year was that?

Mr. SULLIVAN. That was in August 1927, if my memory serves me correctly, at the Virgin High School.

Mr. RIGHTOR. A witness named Manning was placed on the stand by Senator Long, and he spoke of a man that called on him named Walsh, and he referred to him as your secretary. Have you ever had a secretary named Walsh?

Mr. SULLIVAN. No, sir.

Senator LONG. I don't remember Mr. Walsh.

Mr. SULLIVAN. How it was testified was this way. A man named Walsh came in and Senator Long said to him, "That is Sullivan's ward, isn't it?" And we have no connection with Walsh.

Senator LONG. That was Comiskey's man.

Mr. SULLIVAN. You did not state that.

Mr. RIGHTOR. Senator Long made another speech on March 7, 1934, on page 3974, where he says John P. Sullivan—

who ran a wire gambling house outfit in the Ridges section of New Orleans, which I raided once—

Mr. SULLIVAN. As to my connection with any wire house or gambling house anywhere, there is absolutely no foundation for it, truth or fact.

Mr. RIGHTOR. On the same page of the Congressional Record, referring to you, he says:

I am not slandering the man; I am only giving the Senate what the man has paid the newspapers to publish about himself. I would not have the Senate think that I would go beyond anything that the gentleman did not want known about himself. I am giving him advertisement that he has been paying the newspapers to print for the last 10 years. So there is nothing that is intended to reflect upon the man.

Have you ever paid the newspapers for any advertising such as Senator Long has given you?

Mr. SULLIVAN. Never at any time.

Mr. RIGHTOR. At page 3974 he says that you summoned men into your office and you cross-examined them on income-tax matters. Is there any truth in that?

Mr. SULLIVAN. That is merely a story of the imagination. There is no foundation for that in truth or fact.

Mr. RIGHTOR. And he says that a man named R. L. Gay has been indicted in Louisiana for income-tax frauds, and that you have something to do with it. Do you know anything about it?

Mr. SULLIVAN. The first knowledge I had of Mr. Gay, and I have no recollection of even knowing Mr. Gay, was from the newspapers that chronicled his indictment, both in the eastern district of Louisiana and in New Orleans, and I think up in New Jersey. I know nothing about it, knew nothing about Mr. Gay's indictment, except what I have read in the papers since.

Senator BARKLEY. Did you have any connection with his income-tax matters?

Mr. SULLIVAN. None whatsoever or anybody else's income tax.

Senator BARKLEY. Did you ever talk to Mr. Moore about Gay in any way?

Mr. SULLIVAN. Mr. Moore and I never talked about Mr. Gay's income or anybody else's matter. I take it that the Gay matter, from the nature of the case, would not come from Mr. Moore's office at all. I imagine that the Gay matter would come from the Intelligence Department and would not hit Mr. Moore's office at all.

Mr. RIGHTOR. You heard Colonel Bradley testify that he gave Colonel Long \$5,000 to help pay his campaign expenses. Is that true—yes or no?

Mr. SULLIVAN. Yes; that is correct.

Mr. RIGHTOR. Now, Senator, will you take the witness?

Senator LONG. Mr. Sullivan, I notice that your counsel—we are only going to run until 12 o'clock?

The CHAIRMAN. That is all.

Senator LONG. I cannot finish with this witness in 15 minutes. I would like to put my bank examiners on in the 15 minutes that remain.

The CHAIRMAN. I think that is all right then. We will resume in the morning with you. Do you think you can finish them in 15 minutes?

Senator LONG. I think I can.

TESTIMONY OF JOHN S. BROCK, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. May I make this statement before Mr. Brock testifies? I strongly infer from what Senator Long has stated on the floor of the Senate and what he stated before this committee, that he wanted Mr. Habans, the manager of the home loan bank in New Orleans.

Senator LONG. I did not say I wanted him here.

Mr. RIGHTOR. The man that he did say——

Senator LONG (interrupting). I do not want my 15 minutes taken up.

Mr. RIGHTOR. I strongly infer that he contemplates going into the operation of the home loan bank in New Orleans. I want to say this in fairness to the committee, that if we go into that matter and attack the Home Loan Bank of New Orleans by testimony from Mr. Brock, that as a matter of right and justice sufficient time should be given by this committee to fully go into it, and I contemplate that that sufficient time is going to be a most extended time. The operation of that home loan bank——

The CHAIRMAN (interrupting). May I say, Mr. Rightor, that it is hoped, and I think I express the opinion of the committee, that only matters shall be brought out with reference to this that might have some connection with Mr. Sullivan or Mr. Moore and this particular case. Of course, we cannot try the home-loan proposition. I imagine that Senator Long intends to try to connect you.

Senator LONG. I am only going to try to prove the facts. Mr. Brock, who appointed you bank examiner?

Mr. BROCK. Governor Parker.

Senator LONG. You have been continued up to this time?

Mr. BROCK. Yes, sir.

Senator LONG. Were you in that banking department before that time?

Mr. BROCK. Since 1915.

Senator LONG. You were requested to bring the records here showing certain facts you telegraphed about concerning the Navillus Corporation and the home loan bank?

Mr. BROCK. Yes, sir.

Senator LONG. Have you brought them?

Mr. BROCK. Yes, sir.

Senator LONG. I ask you to present them.

(Mr. Brock produces papers.)

Senator LONG. Navillus Corporation you found to be owned by whom?

Mr. BROCK. Controlled by——

Mr. RIGHTOR (interrupting). One minute. That is too general a question. Who owns the stock?

Senator LONG. Who owns the stock?

Mr. BROCK. It is controlled by Colonel Sullivan—

Mr. RIGHTOR (interrupting). You are supposed to testify to facts, not opinion.

The CHAIRMAN. Just state who the officers are, Mr. Brock.

Senator LONG. Who are the officers?

Mr. BROCK. I don't know. Probably it is in there in that report.

Senator LONG. Is Colonel Sullivan one of the officers?

Mr. BROCK. He is interested in it.

Senator LONG. President of it?

Mr. BROCK. I am not sure. He is connected with it as an officer in some way.

Senator LONG. I have already filed the secretary of state's certificate here, and that shows Colonel Sullivan to be the president, George H. Sullivan to be the vice president, and Frank Sullivan to be the secretary-treasurer. Did you file the exhibit that you brought in for the benefit of this committee?

Mr. BROCK. Yes, sir.

Senator LONG. Is that statement true?

Mr. BROCK. Yes, sir.

Senator LONG. I wish to file this statement.

Mr. RIGHTOR. I suggested to the Chairman, to save time—I see no opinions—this is purely a recital of facts, but I cannot check it now, and if the Senator will let us have it, we will check it at lunch.

Senator LONG. I will offer it into the record, and then we can check it. I offer this in the record.

(Report of the Hibernia Homestead Association submitted by Senator Long:)

HIBERNIA HOMESTEAD ASSOCIATION,
New Orleans, La.

HISTORY OF LOANS GRANTED BY HIBERNIA HOMESTEAD ASSOCIATION TO NAVILLUS CO., INC.

On July 5, 1918, loans granted to Navillus Realty Co., Inc., in the amount of \$20,400, secured by property purchased from Mercier Realty & Investment Co., described as follows:

Lot and building with all improvements in the first district city of New Orleans in square no. 218, bounded by Julia, Girod, St. Charles and Carondelet Streets, property known as 743 and 745 Julia Street;

Also lot and buildings with all improvements first district city of New Orleans in square no. 235, bounded by Julia, Carondelet, Baronne, and St. Joseph Streets, which property begins at a distance of 54 feet 2 inches from Julia Street and measures 28 feet on front of Carondelet Street by 120 feet in depth, same being property purchased from Mrs. Mary Hosmer, wife of Charles F. Buck, Jr.

The loan on the above properties of \$20,400 paid out in full on May 31, 1921.

On June 24, 1921, loan was granted to the Navillus Realty Co., Inc., on the two above properties and a lot and building with all improvements in the first district city of New Orleans, bounded by Julia, St. Charles, Girod, and Carondelet Streets, designated as lot no. 8, in the amount of \$25,000.

On June 30, 1922, a loan was granted to the Navillus Realty Co., Inc., for \$25,000, on two lots and building with all improvements in the first district city of New Orleans, in square bounded by Julia, Girod, Carondelet, and Baronne Streets, said lots adjoining each other, which lots are a portion of lots designated by no. 102 on a plan of Joseph Pille, city surveyor, dated December 31, 1821; also lot and building first district in square bounded by St. Joseph, Baronne, Julia, and Carondelet Streets, also lot and building with all improvements in the first district in square bounded by Carondelet, Julia, Girod, and Baronne Streets.

On September 26, 1923, a loan was granted to the Navillus Realty Co., Inc., in the amount of \$10,000, being secured by the following property:

CONFIRMATION OF DANIEL D. MOORE

A lot and building with all improvements designated by the letter "B" square bounded by St. Charles, Julia, Carondelet, and Girod Streets, known as 739 Julia Street.

RECAPITULATION OF LOANS

Loan of \$25,000, dated June 24, 1921, reduced to.....	\$20,000.00
Loan of \$25,000, dated Jan. 30, 1922.....	25,000.00
Loan of \$10,000, dated Sept. 26, 1923.....	10,000.00
<u>\$60,000</u>	<u>55,000.00</u>

On July 15, 1931, the above loans refinanced showing following credits:

Foreclosure fees and costs due John P. Sullivan.....	\$1,798.50
Full paid shares (name of Mrs. C. Sullivan).....	14,500.00
Instalment stock credits (pledged).....	530.01
New loan, Navillus Realty Co., no. 773; note dated July 15, 1931, book no. 2710, for 400 shares.....	40,000.00
Loan no. 774, book no. 2711, for 26 shares.....	2,600.00
Cash instalment payment.....	83.65
	<u>55,000.00</u>

LOANS RESULTING AFTER REFINANCING

July 15, 1931, loan of \$40,000 granted to Navillus Realty Co., Inc., on the following property:

Two lots of ground, together with all buildings and improvements thereon, situated in the first district of the city of New Orleans in square bounded by Julia, Girod, Carondelet and Baronne Streets, said lots adjoin each other and measure each 30 feet front on Julia Street (French measure) by depth of 100 feet (American measure), which two lots are a portion of lot designated by no. 102 on a plan of Joseph Pille, city surveyor;

Also a certain portion of ground together with all the buildings and improvements situated in the first district of the city of New Orleans in square bounded by Carondelet, Julia, Girod and Baronne Streets;

Also lot and building with all improvements in the first district, city of New Orleans, in square bounded by St. Joseph, Baronne, Julia and Carondelet Streets, lot designated by the letter "A" on sketch made by L. H. Pille.

On July 15, 1931, a loan was granted to the Navillus Realty Co., Inc., in the amount of \$2,600 secured by lot and buildings with all improvements in the first district, city of New Orleans, in square bounded by Julia, St. Charles, Girod, and Carondelet Streets, designated as lot 8 on plan of Joseph Pille.

NOTE.—In the refinance of the two loans of \$40,000 and \$2,600, respectively, it is seen that property securing the old loan of \$10,000 now stands the \$2,600 note which note was paid in full and security released whereby the \$40,000 note only was deeded back to the association.

The loan of \$40,000, granted to the Navillus Realty Co., Inc., on July 15, 1931, was deeded back to the association on a dation en paiement on December 23, 1932, property being described as 7161-65 Carondelet Street, 711-13-15 Julia Street and a vacant lot "A" on Julia Street (act passed by David Sessler).

Record shows no payment in interest or principal from the date of loan through the date of repossession.

The loan made in the amount of \$2,600, as above described, was repaid in cash by installment payments closing out October 21, 1932.

NOTE.—Letter in files of association showing appraisement as of June 29, 1931, on these properties of \$50,000, by Latter & Blum. Supplemental letter states property has sold for \$1,000 per front foot on Carondelet Street and \$500 per front foot on Julia Street.

Schedule showing fee payment due and credited J. P. Sullivan on Loan as of July 15, 1931

Sundries:	
To Navillus Realty Co., Inc.....	\$350. 00
To foreclosure on G. B. Black due J. P. Sullivan, legal cost and foreclosure fees (same on L. L. Bailey).....	25. 00
To foreclosure on Mr. and Mrs. McGuire to J. P. Sullivan, legal cost and foreclosure fees.....	515. 50
To foreclosure on F. L. Manthey to J. P. Sullivan, legal cost and foreclosure fees.....	520. 50
To foreclosure on Sam Crollino to J. P. Sullivan, legal cost and foreclosure fees.....	362. 50
To foreclosure on J. P. Fitzgerald to J. P. Sullivan, legal cost and foreclosure fees.....	25. 00
Total.....	1, 798. 50

(Report of the Hibernia Homestead Association showing corrections made by Col. John P. Sullivan:)

HIBERNIA HOMESTEAD ASSOCIATION,
New Orleans, La.

HISTORY OF LOANS GRANTED BY HIBERNIA HOMESTEAD ASSOCIATION TO NAVILLUS CO., INC.

On July 5, 1918, loans granted to Navillus Realty Co., Inc. in the amount of \$20,400, secured by property purchased from Mercier Realty & Investment Co., described as follows:

Lot and building with all improvements in the first district city of New Orleans in square no. 218 bounded by Julia, Girod, St. Charles, and Carondelet Streets, property known as 743 and 745 Julia Street.

Also lot and buildings with all improvements, first district city of New Orleans in square no. 235, bounded by Julia, Carondelet, Baronne, and St. Joseph Streets, which property begins at a distance of 54 feet 2 inches from Julia Street and measures 28 feet on front of Carondelet Street by 120 feet in depth, same being property purchased from Mrs. Mary Hosmer, wife of Chas. F. Buck, Jr. The loan on the above properties of \$20,400 paid out in full on May 31, 1921.

On June 24, 1921, loan was granted to the Navillus Realty Co., Inc. on the two above properties and a lot and building with all improvements in the first district, city of New Orleans, bounded by Julia, St. Charles, Girod, and Carondelet Streets, designated as lot no. 8, in the amount of \$25,000.

On June 30, 1922, a loan was granted to the Navillus Realty Co., Inc. for \$25,000, on two lots and building with all improvements in the first district, city of New Orleans, in square bounded by Julia, Girod, Carondelet and Baronne Streets, said lots adjoining each other, which lots are a portion of lots designated by no. 102 on a plan of Joseph Pille, city surveyor, dated December 31, 1821; also lot and building, first district in square bounded by St. Joseph, Baronne, Julia, and Carondelet Streets, also lot and building with all improvements in the first district in square bounded by Carondelet, Julia, Girod, and Baronne Streets.

On September 26, 1923, a loan was granted to the Navillus Realty Co., Inc., in the amount of \$10,000, being secured by the following property:

A lot and building with all improvements designated by the letter "B", square bounded by St. Charles, Julia, Carondelet, and Girod Streets, known as 739 Julia Street.

RECAPITULATION OF LOANS

Loan of \$25,000, dated June 24, 1921, reduced to.....	\$20, 000. 00
Loan of \$25,000, dated Jan. 30, 1922.....	25, 000. 00
Loan of \$10,000, dated Sept. 26, 1923.....	10, 000. 00
	55, 000. 00

On July 15, 1931, the above loans were consolidated showing following credits:

July 15, 1931, foreclosure fees and costs due John P. Sullivan.....	1, 798. 50
July 15, 1931, full-paid shares (name of Mrs. C. Sullivan).....	14, 500. 00
July 15, 1931, installment stock credits (pledged).....	530. 61

CONFIRMATION OF DANIEL D. MOORE

July 15, 1931, new loan, Navillus Realty Co. no. 773, note dated July 15, 1931, book no. 2710 for 400 shares.....	\$40,000.00
July 15, 1931, loan no. 774 book no. 2711, for 26 shares.....	22,600.00
Cash installment payment.....	88.65
This total is wrong.....	55,000.00
Properly added it should be.....	59,512.76
Error by State bank examiner against Navillus Realty Co. is there- fore.....	4,512.76

LOANS RESULTING AFTER CONSOLIDATION

July 15, 1931, loan of \$40,000 granted to Navillus Realty Co., Inc., on the following property:

Two lots of ground, together with all buildings and improvements thereon, situated in the first district of the city of New Orleans in square bounded by Julia, Girod, Carondelet, and Baronne Streets. Said lots adjoin each other and measure each 30 feet front on Julia Street (French measure) by depth of 100 feet (American measure), which two lots are a portion of lot designated by no. 102 on a plan of Joseph Pille, city surveyor. Also a certain portion of ground, together with all the buildings and improvements, situated in the first district of the city of New Orleans in square bounded by Carondelet, Julia, Girod, and Baronne Streets. Also lot and building with all improvements in the first district, city of New Orleans in square bounded by St. Joseph, Baronne, Julia, and Carondelet Streets, lot designated by the letter "A" on sketch made by L. H. Pille.

On July 15, 1931, a loan was granted to the Navillus Realty Co., Inc., in the amount of \$2,600, secured by lot and buildings with all improvements in the first district, city of New Orleans, in square bounded by Julia, St. Charles, Girod, and Carondelet Streets, designated as lot 8 on plan of Joseph Pille.

The loan of \$40,000 granted to the Navillus Realty Co., Inc., on July 15, 1931, was decided back to the association on a Dation En Palement on December 23, 1932, property being described as 761-65 Carondelet Street, 711-13-15 Julia Street and a vacant lot A on Julia Street. (Act passed by David Sessler.)

Record shows no payment in interest or principal from the date of loan through the date of repossession.

The loan made in the amount of \$2,600, as above described, was repaid in cash by installment payments closing out October 21, 1932.

NOTE

Letter in files of association showing appraisement as of June 29, 1931, on these properties of \$50,000, by Latter & Blum. Supplemental letter states property has sold for \$1,000 per front foot on Carondelet Street and \$500 per front foot on Julia Street.

Schedule showing fee payment due and credited J. P. Sullivan on loan as of July 15, 1931 (journal entries)

Sundries.....	\$1,798.50
To Navillus Realty Co., Inc. (foreclosure on G. B. Black, due J. P. Sullivan, legal cost and foreclosure fees).....	350.00
Same on L. L. Bailey.....	25.00
Foreclosure on Mr. and Mrs. McGuire to J. P. Sullivan, legal cost and foreclosure fees.....	515.50
Foreclosure on F. L. Manthey to J. P. Sullivan, legal cost and foreclosure fees.....	520.50
Foreclosure on Sam Crolino to J. P. Sullivan, legal cost and foreclosure fees.....	362.50
Foreclosure on J. P. Fitzgerald to J. P. Sullivan, legal cost and foreclosure fees.....	25.00
	1,798.50

Senator LONG. Mr. Brock, inasmuch as I take it you are an expert in your line, I wish to ask you to please state if on this matter, on this exhibit here, you note the interchange of property into and out of the Navillus Corporation and the Hibernia Homestead Corporation, through which \$17,000 worth of stock was placed in return of the property?

Mr. BROCK. This is \$14,500 stock.

Senator LONG. Yes; of Homestead stock?

Mr. BROCK. Yes, sir.

Senator LONG. What was the value of that stock at that time?

Mr. BROCK. I made an investigation the other day and the best that I could get from the dealers and brokers was from \$60 to \$65.

The CHAIRMAN. What was it at the time of the transfer? Did you make an investigation at that time?

Mr. BROCK. This transfer?

Senator LONG. What was the value at the time of the transfer? That is what I asked you.

Mr. BROCK. This was in 1931 when the previous loans had been refinanced and had been reduced by \$14,500 of stock of the Hibernia Homestead.

Senator LONG. And what was the value at that time?

Mr. BROCK. Between \$60 and \$65 a share.

Senator LONG. And it was turned in at par in the Homestead?

Mr. BROCK. Yes, sir.

Senator LONG. At \$14,000?

Mr. BROCK. Yes, sir.

Senator LONG. Thirty-five cents or 40 cents off of \$14,000 would represent how much that was watered into that?

Mr. BROCK. Yes, sir.

Senator BARKLEY. What was the date of that transaction?

Mr. BROCK. 1931; July 1931.

Senator LONG. I will connect it right into the Home Loan bank. I will ask you further, Mr. Brock, if you find there any manipulation by which a property mortgaged with the Hibernia Homestead for a purchase price of \$10,000 was later extricated through the manipulations of other property by a payment of \$2,600?

Mr. BROCK. The records show that.

Senator BARKLEY. I don't know just what you mean by "manipulation."

Senator LONG. State the facts.

Senator BARKLEY. The word "manipulation", is susceptible of any sort of interpretation. State the facts.

Senator LONG. Just state what the transaction was.

Mr. BROCK. In this refinancing of July 1931, right at that time, the indebtedness of that concern was \$55,000.

Senator BARKLEY. Which concern?

Mr. BROCK. The Navillus Realty Co.

Senator LONG. To whom?

Mr. BROCK. To the Hibernia Homestead Association.

Senator LONG. Go ahead and explain that.

Senator WALSH. What did that property consist of? A large number of houses?

Mr. BROCK. Different properties.

Senator WALSH. And all under one blanket mortgage of \$55,000?

Mr. BROCK. No, sir; with different.

Senator LONG. They were under several mortgages. Explain it. Explain how that \$10,000 property was extricated there.

Mr. BROCK. The refinancing later reduced it by \$14,500 in stock, and Colonel Sullivan applied \$1,798.50 of attorneys' fees, then executed a new mortgage for \$40,000 on part of the property, and then one for \$2,600 on another particular piece of property.

Senator LONG. That had been put in at how much?

Mr. BROCK. At \$2,600.

Senator LONG. How much had it originally been put in for?

Mr. BROCK. \$10,000.

Senator LONG. They executed one mortgage on all of the other property for \$40,000 and on this particular \$10,000 for \$2,600?

Mr. BROCK. Later on that \$2,600 was paid and the property covered by the \$40,000 mortgage was surrendered to the Homestead Association by dation en payment.

Senator BARKLEY. That means that it was paid off?

Mr. RIGHTOR. Given property to pay a debt instead of money.

Senator LONG. So that the \$10,000 piece was extricated for \$2,600 and there was further put into the transaction \$14,500 worth of stock at 100 cents on the dollar, selling at the time of from 60 to 65 cents on the dollar, and \$1,700 of Colonel Sullivan's fees?

Mr. BROCK. Yes, sir.

Senator LONG. Are you familiar with these officers and directors who were in the Hibernia?

Mr. BROCK. I do not recall right off now.

Senator LONG. You know that Colonel Sullivan is one of them in the Hibernia?

Mr. BROCK. We always considered it as Colonel Sullivan and his brother, Frank Sullivan, as being the dominant spirits.

Senator LONG. They are under your banking department?

Mr. BROCK. Yes, sir.

Senator LONG. Did you know Mr. Ford who was in Mr. Sullivan's office, the lawyer there?

Mr. BROCK. I do not recall him. I think I met him a great many years ago.

Senator LONG. It has been testified here that Mr. Ford who was in Mr. Sullivan's law office, went into the home-loan bank as an attorney. Did you know Mr. Vergis, who was connected with the Hibernia?

Mr. BROCK. Yes, sir.

Senator LONG. What has become of him?

Mr. BROCK. He is head appraiser of the Home Owners' Loan Corporation.

Senator LONG. Now, Mr. Brock, these parties then went into the Home Owners' Loan Corporation from Mr. Sullivan's office?

Mr. RIGHTOR. He did not say from Colonel Sullivan's office.

Senator LONG. From the Hibernia?

Mr. BROCK. He was a director in the Hibernia.

Senator WALSH. Is Mr. Ford the counsel?

Senator LONG. The chief abstractor.

Mr. SULLIVAN. He is nothing of the kind. He gets \$5 a case.

Senator WALSH. Whenever he is given a title to examine he gets \$5?

Mr. SULLIVAN. He is a closing attorney.

Senator WALSH. And as I understand the organization of the bank, they have a chief conveyancer, and whenever a title is to be examined they employ a lawyer here and a lawyer there to examine the titles.

Mr. BROCK. I am not familiar with that.

Senator LONG. Did you make an examination or general review to see whether or not the property that had been examined and had been handed over to the Homestead in this Navillus transaction could have been sold for \$40,000?

Mr. BROCK. No, sir; I have not. I have not attempted to.

Senator LONG. How much time did you have to make these examinations?

Mr. BROCK. It was done very hurriedly since we started this general investigation down there.

Senator LONG. You did not know Mr. Hayman?

Mr. BROCK. No, sir.

Senator LONG. It is testified here that Mr. Hayman went from Colonel Sullivan's employment in the race track to the Internal Revenue Department, and from the Internal Revenue to the home-loan bank. That has not been disputed yet. I will ask you, following the transfer of these gentlemen in connection with your wire sent here, if you began in the last week to make an examination as to what they were manipulating in the home-loan bank.

Mr. BROCK. Yes, sir.

Senator LONG. I hand you these sheets and ask you to explain them to the members of this committee—what they are doing over there.

Mr. RIGHTOR. That involves the operation of the home-loan bank.

The CHAIRMAN. What is this? The whole proposition of the home-loan bank?

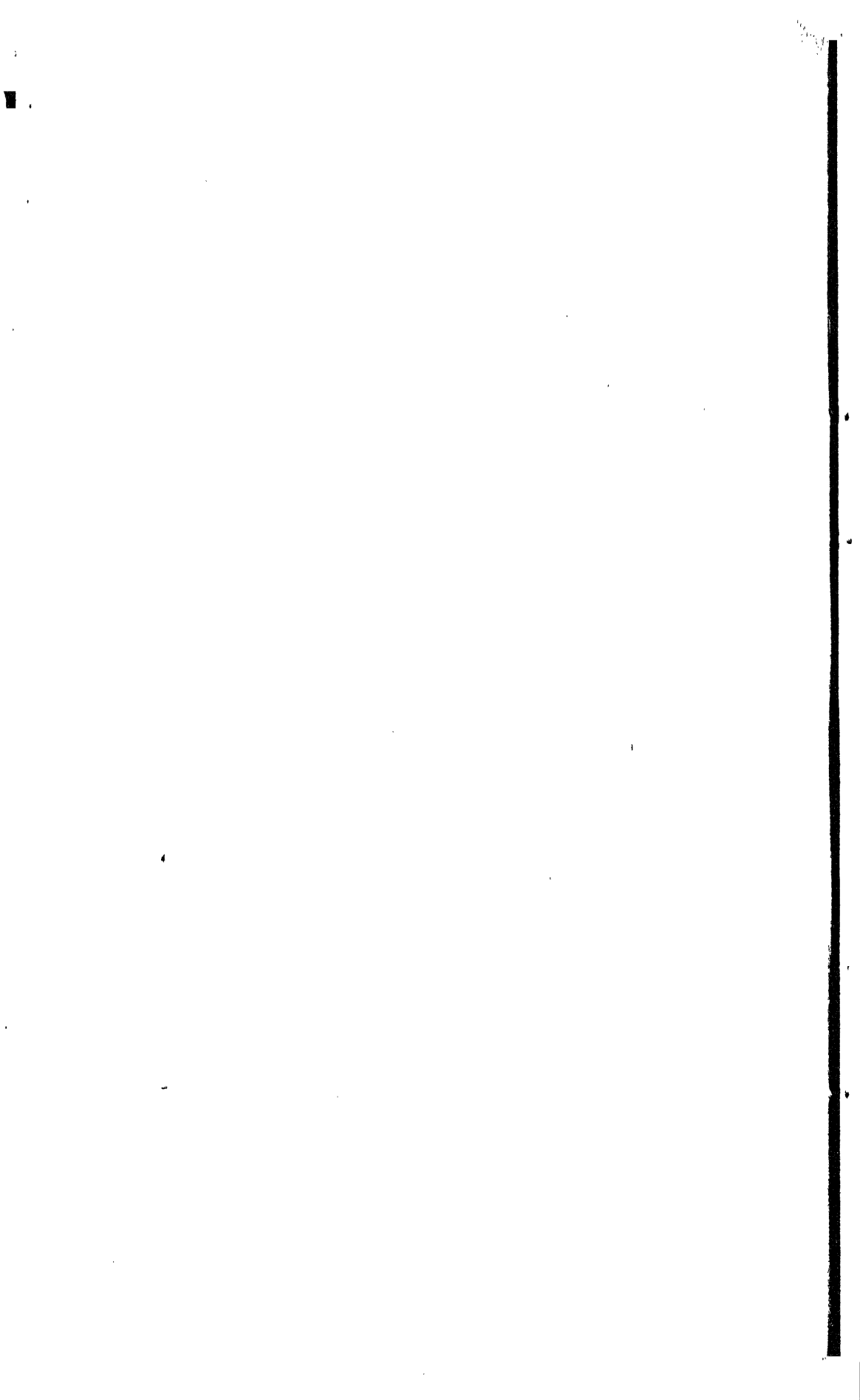
Senator LONG. Just as you passed upon the wire. You wanted the proof in better form.

The CHAIRMAN. We will pass on this. It is now 2 minutes of 12 and we have an amendment pending, so we will recess until tomorrow at 10 o'clock.

Senator LONG. What are you going to do with my documents? Are you going to keep them or do you want me to keep them?

The CHAIRMAN. Here they are.

(Whereupon, at 12 noon, an adjournment was taken until the next day, Tuesday, Apr. 10, 1934, at 10 a.m.)



CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

TUESDAY, APRIL 10, 1934

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to adjournment, at 10 a.m., in the Finance Committee room, Senator Pat Harrison (chairman) presiding.

Present: Senators Harrison (chairman), Byrd, Clark, Barkley, Keyes, La Follette, George, Costigan, Lonergan, and Metcalf.

Present also: Senator Long, Mr. Edward Rightor, Col. John P. Sullivan, and Mr. D. D. Moore.

TESTIMONY OF J. S. BROCK, NEW ORLEANS, LA.,—(Continued)

(The witness was previously duly sworn by the chairman.)

Senator LONG. I want you, Mr. Brock, to go ahead with what I asked you yesterday. Will you explain, Mr. Brock, those sheets that we had over there?

Mr. BROCK. These exhibits—

Senator LONG (interposing). I want you to explain the whole matter without me having to ask you further questions. In your own way, make your own explanation of the matter.

The CHAIRMAN. Are you now going into all of these loans with the Home Loan Corporation?

Senator LONG. Those that he wired about. Those matters that were wired about.

The CHAIRMAN. The chairman does not think that we can go into an investigation of all of the loans held by the Home Loan Corporation.

Senator KEYES. Can we not get two or three of the cases?

Senator LONG. This was approved by the committee, and the witness was summoned after he had wired and given the information.

The CHAIRMAN. No; this has not been approved by the committee. It is perfectly proper, if you want to connect Mr. Sullivan in any way with the Home Loan proposition, and if there is any racketeering.

Senator LONG. That is what we are doing.

The CHAIRMAN. But I do not think it is proper, because it is taking up too much time of the committee to go into, to go into a thorough investigation of the Home Loan Corporation. We would never get through here.

Senator LONG. That is what we are doing. It is to prove that there is racketeering, that comes through Sullivan's office.

The CHAIRMAN. Proceed for a few moments. I will see how the testimony goes.

Mr. BROCK. This is in connection with one of the telegrams.

Senator LONG. First, do those sheets show the transactions, Mr. Brock?

Mr. BROCK. Yes, sir.

Senator LONG. I ask to offer in evidence those sheets. That will probably save 95 percent of the testimony.

The CHAIRMAN. Let me see the sheets that you are talking about. (The same were handed to the chairman.)

The CHAIRMAN. Is this the matter that went into the Congressional Record yesterday?

Senator LONG. Yes, sir.

The CHAIRMAN. Wasn't this matter in the record, Senator Long; that is fairly expensive, if it is already in the Congressional Record?

Senator LONG. I want them before the committee.

The CHAIRMAN. Do you swear that all of the matters are correct as stated in this memorandum?

Mr. BROCK. Yes, sir; as reported by my examiners.

Mr. RIGHTOR. You know nothing about it personally?

Mr. BROCK. No.

Mr. RIGHTOR. The witness says he knows nothing about it personally.

The CHAIRMAN. I understood the witness to swear to the correctness of this proposition.

Mr. BROCK. It was done under my direction and done by my examiners.

Senator LONG. You had to have several men to compile the different data, to assemble this, didn't you?

Mr. BROCK. Yes, sir.

The CHAIRMAN. Are they here?

Senator LONG. Yes. It will take several men to prove them up.

The CHAIRMAN. Let us put them on and ask them as to the correctness of it, and then put it into the record.

Mr. RIGHTOR. Mr. Chairman, he uses words here that are derogatory of the Home Loan—"sales of stock manipulation."

The CHAIRMAN. Strike out in the record the word "manipulation" and change it to a more inoffensive word.

Senator LONG. Sales of stock. Strike out the word "manipulated."

Mr. RIGHTOR. Make it "made."

Senator LONG. Mr. Brock, it took several men to compile from the various records, the building and loan records, the several items necessary to trace through one transaction, did it not?

Mr. BROCK. Yes, sir.

Senator LONG. And you supervised and assembled it as they brought it in?

Mr. BROCK. Yes, sir.

Senator LONG. And under your direction condensed it there on those reports?

Mr. BROCK. Yes, sir.

Senator LONG. I think I can ask one question that probably will be sufficient for all that I wish to present.

I believe I have already asked you about Mr. Leon Burgess, that came from Mr. Sullivan's office, yesterday.

Mr. BROCK. Yes, sir.

Mr. RIGHTOR. He is making a statement that the record does not show.

Senator LONG. I thought I had.

The CHAIRMAN. Ask him.

Mr. RIGHTOR. You have been corrected twice, that Mr. Burgess did not come from Colonel Sullivan's office.

Senator LONG. The Hibernia Homestead.

Mr. RIGHTOR. Yes, sir.

Senator LONG. Well, that is the same thing.

Mr. RIGHTOR. We object to your saying that it is the same thing.

Senator LONG. All right. I have already asked you about Mr. Burgess, who came from the Hibernia Homestead.

Mr. BROCK. Yes, sir.

Senator LONG. And Mr. Ford, Chester Ford, who came from Colonel Sullivan's office, did he not?

Mr. BROCK. Who is that?

Senator LONG. Chester Ford. Chester Ford, the lawyer that went in there.

Mr. BROCK. I am not positive of that.

Senator LONG. I think I have proved that by other witnesses.

Mr. Brock, was Mr. Ray, that is mentioned on these sheets, Mr. Stanley W. Ray, was he the secretary of Governor Parker when he was the Governor of Louisiana?

Mr. BROCK. Yes, sir.

Senator LONG. Mr. Esemann, that you have listed on there, from the Dumaine Realty Co., isn't it, or the Dumaine Building and Loan?

Mr. BROCK. The Dumaine Realty Co., I think.

Senator LONG. Is he connected with the Home Loan Corporation today?

Mr. BROCK. Not that I know of.

Senator LONG. You don't know that yourself?

Mr. BROCK. No, sir.

Senator LONG. All right.

Mr. BROCK. He gets certain information from the H.O.L.C.

Senator LONG. But you did not know he was actually employed there?

Mr. BROCK. No, sir.

Senator LONG. Well, I will prove that by another witness. That is already in the record.

Mr. Brock, just state in one question your totals as to how much has been made through the exchange of stock, the building and loan stock, the loans made on the home, as compared with the Home Owners' Loan bonds that are given in the return?

Mr. RIGHTOR. Do you understand the question?

Mr. BROCK. That is, you want the profit indicated on these loan transactions—

Senator LONG (interposing). I would like you to state the profit indicated, what is the difference on the market of the building and loan stock they gave as compared with the difference on the market of the Home Owners' Loan Corporation stock that they got in return?

Senator BARKLEY. Let me ask you this: Are these building and loan stocks registered on any exchange?

Mr. BROCK. They are quoted there in some kind of a market—I do not know what it is—listed in the newspapers and traded in.

Mr. SULLIVAN. In the last year or so.

Senator BARKLEY. Not the New Orleans exchange?

Mr. BROCK. No; is it not the New Orleans stock exchange? I declare I don't know.

Senator BARKLEY. How do you determine what the market value of the stock of these concerns may be?

Mr. BROCK. According to these quotations.

Senator BARKLEY. Do you know what sort of an exchange that is, or to what extent they are traded in, and how reliable a barometer that is as to their value?

Mr. BROCK. No; I do not. I am not sure about that. I understand it is handled by some of the real-estate dealers there.

Senator BARKLEY. Well, maybe somebody can explain it.

Senator LONG. Yes; we have two more witnesses.

The CHAIRMAN. Let us get through with Mr. Brock.

Senator LONG. Mr. Brock, what is the difference there? Just pick out a few.

Mr. BROCK. In 20 loans here of the Eureka that we worked up—of course, we have only just started this—

Senator LONG. You have just scratched the surface.

Senator BARKLEY. Let the witness state whether he has just scratched the surface, or gone down under the surface.

Mr. BROCK. We have not anything like made a thorough investigation.

Senator BARKLEY. At whose instance did you make this investigation?

Mr. BROCK. It has been the result of rumors and complaints.

Senator BARKLEY. Is it part of your duty as the bank commissioner to make this investigation?

Mr. BROCK. Yes. The building and loan associations are under the supervision of my department.

Senator BARKLEY. How often do you examine them?

Mr. BROCK. Up until a little over a year ago it was only once a year. Now we examine them twice a year.

Senator BARKLEY. When did you make this examination that you are talking about now?

Mr. BROCK. This is a special investigation.

Senator BARKLEY. How did you happen to make it?

Mr. BROCK. Just as I stated, as a result of rumors about a racket going on—

Senator BARKLEY. Who asked you? Did you make this examination with a special view of testifying here in this matter?

Mr. BROCK. I did not have it in view. I had no idea.

Senator BARKLEY. You did not?

Mr. BROCK. No.

Senator BARKLEY. When did you start to make it up?

Mr. BROCK. Monday a week ago.

Senator BARKLEY. Monday a week ago. Was that before or after Senator Long had made a speech on the floor of the Senate charging a racket down there among the real estate and building and loan associations, with the Home Owners' Loan Corporation?

Mr. BROCK. I did not know about—I did not notice anything in Senator Long's speech which you referred to.

Senator BARKLEY. Did you start this investigation on your own motion, or did somebody order you to do it?

Mr. BROCK. These rumors have been coming to me—I had heard of it for the last 2 or 3 weeks, but I did not pay such attention to it, and it got to such an extent until I consulted Senator Long when he was in New Orleans, as I have been doing ever since he was Governor.

Senator BARKLEY. So you made this particular investigation after consulting with Senator Long, with a view to testifying here?

Mr. BROCK. Not with a view to testifying; no, sir.

Senator LONG. Was I the only man you consulted—

Senator BARKLEY (interposing). Did you get orders from anybody who is your superior, to make this investigation?

Mr. BROCK. No, sir; I did not.

Senator BARKLEY. Are you subject to the orders of the Governor?

Mr. BROCK. Yes, sir.

Senator BARKLEY. Did he order you to make, or request or suggest that you make, this investigation?

Mr. BROCK. No, sir.

Senator BARKLEY. Did you advise him that you were making it?

Mr. BROCK. No, sir.

Senator BARKLEY. He had nothing to do with it?

Mr. BROCK. No, sir.

Senator BARKLEY. All right.

The CHAIRMAN. Go ahead, Senator.

Senator LONG. Was I the only man that you consulted with regard to help about this matter? Did you consult with other citizens of that State?

Mr. BROCK. I discussed it with some of the building and loan men.

The CHAIRMAN. Give to the committee the answer to that question that he has been asking you. Let us get along.

Mr. BROCK. These transactions of the Eureka indicated a profit there on 20 loans of \$17,768.56, that is, as between the quotations of the Home Owners Loan bonds and the amount of Homestead stock involved.

The CHAIRMAN. Doesn't that speak for itself, that record, Mr. Brock?

Mr. BROCK. Yes; as these figures are set up.

The CHAIRMAN. Can't we dispense with going into the details, and give the difference.

Senator LONG. I was getting just the totals on the four pages. I have enough that will identify it clearly. Just let him give the totals on the four pages.

What are the totals given on all of the pages?

Mr. BROCK. Yes, sir; in the Acme Homestead, with 11 transactions, it shows a profit—

The CHAIRMAN (interposing). Suppose we take some one else, and let him figure it out.

Senator LONG. This man can do it quickly.

The CHAIRMAN. The time of the Senate is too important to have the commissioner have to figure out the proposition and delay things, because we want to finish this matter.

Senator LONG. He can tell you in just a minute, Mr. Chairman.

The CHAIRMAN. He is not doing it.

Senator LONG. He is just adding them.

Mr. BROCK. That runs up just a little over \$40,000.

Senator LONG. You just found on those sheets there a little over \$40,000?

Senator HASTINGS. May I see those sheets?

Senator LONG. Hand those sheets over to Senator Hastings, so that he can look them over.

In your examination, did you run across a form letter that was being used in the racket, as being described as a racket, I used your word.

Mr. BROCK. Yes, sir.

Senator LONG. Let us have the form letter that you found they were using there.

(Mr. Brock produces paper.)

Senator BARKLEY. When you say "they were using", who do you mean by "they"? Who sent out that form letter?

Senator LONG. It is not sent out. It is in blank. It has blank lines.

Mr. BROCK. It is a mimeographed letter sent out by one of the homestead associations.

Senator BARKLEY. Which one?

Mr. BROCK. The Great New Orleans Homestead Association.

The CHAIRMAN. You say you found this in the files?

Mr. BROCK. Yes, sir.

Senator LONG. Hand me that letter.

(Mr. Brock hands letter to Senator Long.)

Senator LONG. You found this as a form?

Mr. BROCK. As a form.

Senator LONG. I will ask you briefly, in connection with this letter, to explain to the committee just in a few words how it is that the process is manipulated through which you found the \$40,000 profit on the few cases that you have had time to review?

Mr. BROCK. Well, now, let us see. You mean how we located it?

Senator LONG. Explain the process, how they do it, how it is done.

Mr. BROCK. Well, they get hold of a distressed borrower, or someone that has been dispossessed of the property, and they induce them, or, rather, show them where they can have it refinanced through the Home Owners Loan Corporation—

Senator LONG (interposing). This gentleman here is in my way, and I cannot see the witness.

Would you mind sitting here, if it would not inconvenience you?

Now, go ahead.

Mr. BROCK. Then the person or broker or whoever you might call him, that handles it for him, through the Home Owners Loan, he acquires stock on the market of that particular homestead.

Senator LONG. By "homestead"—use the word "building and loan."

Mr. BROCK. The building and loan association, at the market value, and on these particular transactions the stock, say, if it is bought at 50 cents on the dollar, it is accepted by the homestead at 100 cents on the dollar, and then, instead of the homestead, building and loan association, receiving the Home Owners Loan bonds, the broker receives the bonds and the building and loan cancels out its own stock at 100 cents on the dollar.

Senator LONG. So that, if I may be permitted, the interposed party that you call the broker, whoever he is, that is handling it through the Home Owners Loan Corporation, at 50 cents on the dollar, that stock, he will take, we will say, \$10,000 worth of stock that he gets for \$5,000, and he exchanges that for \$10,000 of Home Loan Corporation bonds.

Mr. BROCK. If the Home Owners loan is worth \$10,000—if it is for \$10,000—

Senator LONG. I am using that round figure.

Mr. BROCK. Yes.

Senator LONG. Or \$1,000.

Mr. BROCK. It depends on what the amount of the loan is that is made by the Home Owners Loan Corporation.

Senator BARKLEY. You say that he exchanges that stock in the homestead for Home Owners Loan Corporation bonds. That cannot be true, because the Home Owners Loan Corporation has not got any authority to accept stock in anything.

Mr. BROCK. But you did not understand me—

Senator BARKLEY (interposing). It will loan its bonds which are now to be guaranteed by the Government to the person who holds the mortgage against the loan, so as to be able to refinance it at whatever may be due on back taxes and a small amount for repairs, but the Home Owners Loan Corporation cannot accept stock in any corporation in exchange for its bonds.

Mr. BROCK. I appreciate that.

Senator BARKLEY. How do they do it?

Mr. BROCK. For instance, I am handling one of those deals. I go out and I find out that some person, Bill Smith, has been dispossessed of his property.

Senator BARKLEY. By whom?

Mr. BROCK. By the building and loan association, say a year ago, and I find out from the records his name and address, and I look him up and show where he can repossess that property and have it refinanced by the Home Owners Loan Corporation. Then I handle it for him.

I pick up the stock of the building and loan association where his loan was originally, say, \$5,000, and I buy it for \$2,500, and I go to the building and loan and I make a deal with them.

They take their own stock and let me have the property, or it is all done at one time.

Senator BARKLEY. This application—

Senator LONG (interposing). Please let him finish.

Senator BARKLEY. All right.

Mr. BROCK. Then the loan of the Home Owners' Loan is negotiated on this particular piece of property.

Senator BARKLEY. Between the Home Owners' Loan Corporation and the original owner?

Mr. BROCK. Yes; or his representative.

Senator BARKLEY. The owner who has been dispossessed?

Mr. BROCK. Yes, sir.

Senator BARKLEY. He has to make application himself for the refinancing, with the Home Owners' Loan Corporation, and the transaction, as far as the Home Owners' Loan Corporation is concerned, is between it and the property owner who has been dispossessed?

Mr. BROCK. Or with his agent.

Senator BARKLEY. Or with his agent.

Mr. BROCK. Or together.

Senator BARKLEY. So that this so-called "manipulation" on your part, if you have gone out and found that a man has been dispossessed, and you go and tell him what probably he did not know, that he can refinance it through the Home Owners' Loan Corporation, and he starts in to do the refinancing, either personally or through you as his agent, you induce the building and loan association to accept the bonds of the Home Owners' Loan Corporation in exchange for this mortgage?

Mr. BROCK. Induce what?

Senator BARKLEY. Induce the homestead or the building and loan association.

Mr. BROCK. To accept what?

Senator BARKLEY. The Home Owners' Loan Corporation bonds.

Mr. BROCK. No. I go out and buy some of that homestead stock, the building and loan stock, and I go and tender it in settlement—

Senator BARKLEY. Whoever holds the mortgage on that property has to be induced to accept Home Owners' bonds, otherwise the refinancing cannot occur.

Mr. BROCK. Yes; but I get the bonds.

Senator BARKLEY. How do you get them? You have not got any mortgage.

Senator LONG. He is trying to continue his explanation, saying that if he went out and got a bond himself as a broker.

Senator BARKLEY. In the first place, we know how he can get them, because the Home Owners' Loan Corporation can only exchange those bonds for the mortgage that the building and loan association has against the property. The homestead, as you call it, agrees to accept the bonds of the Home Owners' Loan Corporation in lieu of the mortgages.

Mr. BROCK. Not these transactions, Senator.

Senator BARKLEY. Then let me ask you this question. This so-called "manipulation" that you are talking about could occur without the Home Owners' Loan Corporation knowing anything about the private transaction between you and the homestead company, couldn't it?

Mr. BROCK. Well, it could have, but there is a pretty close connection. I mean, that is pretty well established.

Senator BARKLEY. By what?

Mr. BROCK. By the information that is given these agents or brokers.

Senator BARKLEY. Do you know that of your own knowledge?

Mr. BROCK. That is what my examiners have—

Senator BARKLEY. I am talking about what you know. Do you know of any case where the Home Owners' Loan Corporation has dealt with the homestead company or with one of these brokers, as you call it, knowing, in advance, that this transaction was to occur?

Mr. BROCK. Not of my own personal knowledge, but it has been reported to me by my examiners.

Senator BARKLEY. Of course, there have been no legal rules followed in this investigation, and I suppose hearsay testimony is as good as any.

Senator LONG. You have these records, Mr. Brock? They were compiled from records?

Mr. BROCK. Yes, sir.

Senator LONG. And furnished to you from records?

Mr. BROCK. Yes, sir.

Senator LONG. And the records show that the loan made by the Home Loan is exchanged, the exchange of the stock, the delivery back to the Home Owners, was done as one act?

Mr. BROCK. Yes.

Senator LONG. One act?

Mr. BROCK. Yes.

The CHAIRMAN. Senator, he will testify.

Senator LONG. Go ahead, Mr. Brock.

Mr. BROCK. In all of the transfers, the whole transaction was done at one and the same time. It was all worked out, ready for completion, you might say.

Senator HASTINGS. Mr. Brock, will you just come over here where you can see this with me.

I would like you to take this one instance, Mrs. C. Eustis. What does that indicate as the amount that Mrs. Eustis owed the building and loan in the first place on her property? Is there anything to show what she owed?

Mr. BROCK. \$17,663.

Senator HASTINGS. That is what she owed?

Mr. BROCK. Yes, sir.

Senator HASTINGS. And she had been, under your theory, dispossessed?

Mr. BROCK. Yes; I am quite sure of that.

Senator HASTINGS. Then "56 bid and offered at 60" indicates the value of the home building and loan stock in which she had her mortgage?

Mr. BROCK. That is right.

Senator HASTINGS. Then you are assuming that somebody goes and buys enough stock to amount to \$17,663.85 at par, that is, at \$100?

Mr. BROCK. Yes, sir.

Senator HASTINGS. They take that stock and present it to the building and loan, and the building and loan—is it, or is it not, under its rules, bound to take that at par if it is offered?

Mr. BROCK. No, sir.

Senator HASTINGS. If the woman owed \$17,663 and she or somebody representing her went over with \$17,663 worth of stock at par, would not the building and loan be compelled to cancel that mortgage?

Mr. BROCK. No, sir.

Senator HASTINGS. How do they work it then?

Mr. BROCK. If it is real estate, under the present law the building and loan has a right to make such an exchange of real estate for its own stock. That is optional with them.

Senator HASTINGS. It is optional with them, but they can legally?

Mr. BROCK. Yes, sir.

Senator HASTINGS. They can do it legally, but they do not have to do it?

Mr. BROCK. Yes, sir.

Senator HASTINGS. In this instance we will assume that they did it. Then what becomes of the title to the property in the meantime? Does it go back to Mrs. Eustis?

Mr. BROCK. I cannot explain clearly just whether or not. There is a third party interposed in some way. That is called the dation en payment.

Senator HASTINGS. In this instance do you know who makes the application to the Home Owners' Loan Corporation for the new loan of \$17,663.85?

Mr. BROCK. The original——

Senator HASTINGS. Debtor?

Mr. BROCK. Debtor of the building and loan.

Senator HASTINGS. Then how do you reach the conclusion that there is a profit on that of \$2,053.66? Do you know whether Mrs. Eustis got that or somebody else got it?

Mr. BROCK. Someone else.

Senator HASTINGS. How do you know?

Mr. BROCK. That is what the records show.

Senator HASTINGS. What records?

Mr. BROCK. The records of the building and loan association.

Senator HASTINGS. You mean the records of the building and loan association show this \$2,053 of profit to somebody?

Mr. BROCK. It does not show that figure, but the difference between——

Senator HASTINGS (interposing). Here is another figure over here [indicating].

Senator LONG. Senator, let him explain that.

Senator HASTINGS. There is another figure over there of \$13,094.44 under the heading of the home loan association net amount of par value bonds issued after deduction. What does that mean?

Mr. BROCK. That is the amount of the bonds representing the loan. That would indicate the loan on that property here of probably a little more than \$13,000, because the price on the bonds at that time was 91%, but this agent handling this, according to the records, got these Home Owners' Loan bonds and, at the market value, they were worth 91%, whereas he paid this off and made the deal with the building and loan association with its own stock on the basis of 56 indicated by the market value, and the difference is the profit realized.

The CHAIRMAN. Will you furnish the records—as I understand these quotations or these values on these various stocks were as of what date in your memorandum?

Mr. BROCK. It depends on the date of the particular transaction.

The CHAIRMAN. Are they recent?

Mr. BROCK. These are all recent.

The CHAIRMAN. Would you mind furnishing to the committee from the same source that you got these, say, for the last 4 years, the quoted prices on these same stocks?

Mr. BROCK. They have not been listed or quoted.

The CHAIRMAN. Are there any other questions?

Senator LONG. Mr. Brock, just so that it may be cleared up, I understand you to testify that the entire transactions are done at one time?

Mr. BROCK. Yes, sir.

Senator LONG. You have listed there some records that have been supplied to you—may I have those sheets, or any one of them?

Senator Hastings, you keep the one that you have, but, Mr. Brock, please let me have any of the others.

Senator BARKLEY. While you are waiting on that, let me ask you about the simultaneous transactions. As a matter of fact, the actions of the Home Owners' Loan Corporation and the debtor and the mortgage holder are compelled to be simultaneous, are they not?

Mr. BROCK. I presume so.

Senator BARKLEY. So that there cannot be any transaction unless the mortgage holder agrees to accept the Home Owners' bonds; so the whole transaction is simultaneous—that is, they agree to accept the Home Owners' bonds and they all probably meet there with somebody representing all three parties, they meet at the Home Owners' Loan Corporation, and the homestead or building and loan association mortgage is canceled against the property, the Home Owners' Loan Corporation turns over to the homestead or building and loan association or the bank or whoever holds the mortgage, its bonds, and a new mortgage is executed by the home owner to the Home Owners' Loan Corporation, so as to be a simultaneous transaction.

Mr. BROCK. Yes; but there is no use in that third party in there.

Senator BARKLEY. That may be, but the transaction in the office must be a simultaneous transaction.;

Mr. BROCK. The deal should be handled between the building and loan, the original borrower, and the Home Owners' Loan Corporation.

Senator BARKLEY. That is all.

Senator LONG. The only use of the third party is to take the additional money out of the Home Owners' funds, is it not?

Mr. BROCK. And the building and loan.

The CHAIRMAN. Any other questions, Senator Long?

Senator LONG. That is all.

Senator BARKLEY. The Home Owners' Loan Corporation there represents the original debt?

Mr. BROCK. Not necessarily. The loan may not equal the original debt.

Senator BARKLEY. But the loan does not represent the original debt, unless there is a scale-down, and the original creditor is willing to accept a smaller amount, it has to be an identical amount with the original loan, or with the amount due on the loan?

The Home Owners' Loan Corporation could not get a clear mortgage on the property, which it must take, a first mortgage, unless the loan that it made clears the property.

Mr. BROCK. That is right.

Senator LONG. Do you know of any reason why the Home Owners' Loan Corporation should have to put out \$5,000 to get something that the building and loan is willing to surrender for stock that can be bought for \$2,000? Do you know of anything at all?

Mr. BROCK. No, sir.

Senator LONG. And you have shown the names of the interposed parties here who get that difference, in each instance, on this exhibit?

Mr. BROCK. Yes, sir.

Senator LONG. That is all, Mr. Brock.

The CHAIRMAN. Any questions?

Mr. SULLIVAN. Yes, sir.

Mr. Brock, on the statement you submitted yesterday, the dealings of the Navillus Realty Co. with the Hibernia Homestead Association, I first call your attention to the loans of the above property of \$20,400 were paid out in full May 30, 1921. That should be 1920, Mr. Brock.

Mr. BROCK. Now, listen. My examiners have made that up from the records, and he is here, and I would much prefer that he go into the details of that.

Mr. SULLIVAN. Now, Mr. Brock, you used the word "refinanced." These loans, covering the period, say, of 9 years—these loans were consolidated, instead of refinanced. There is no objection to that, is there?

Mr. BROCK. Well, that is the term that we generally use.

Mr. SULLIVAN. They were consolidated.

Under the list of credits, you report totals, the list of credits, as \$55,000. If you will add those figures, you will see that they are \$59,512.76, or \$4,512.76 more than you have on that report. Will you kindly total those figures there? [Handing paper to witness.]

Mr. BROCK. That is what it indicates here.

Mr. SULLIVAN. In other words, instead of giving me credit for \$55,000 your report should have given me credit for \$59,512.76. That is correct, is it not?

Mr. BROCK. I would rather have the examiner that made that up—

Mr. SULLIVAN (interposing). I mean on the face of the papers.

Mr. BROCK. Yes, sir.

Mr. SULLIVAN. And use the word, instead of "refinanced" use the word "consolidated", again. That will also be taken up by your other men. Now, Mr. Brock, do you know as you have testified, any certificate has been offered here showing that the officers of the Navillus Realty Co. are John P. Sullivan, president, George H. Sullivan, vice president, and Frank B. Sullivan, secretary-treasurer.

Do you know that the Navillus Realty Co., Navillus being Sullivan spelled backwards, was organized in 1917 by the heirs of Patrick Sullivan and his wife, Mary O'Neill. Do you know that?

Mr. BROCK. No.

Mr. SULLIVAN. Do you know that that was purely a family corporation into which was put the property left by our father and mother? You don't know that?

Mr. BROCK. No.

Mr. SULLIVAN. Do you know that due to financial reverses, my brother Frank Sullivan has not held any stock in that association for years?

Mr. BROCK. In this realty company?

Mr. SULLIVAN. Yes; in this realty company. Do you know that?

Mr. BROCK. I do not.

Mr. SULLIVAN. Do you know that George H. Sullivan years ago disposed of his stock?

Mr. BROCK. No.

Mr. SULLIVAN. You do not know that?

Mr. BROCK. No.

Mr. SULLIVAN. Do you know that today John P. Sullivan is the president of the corporation, his madam, Mrs. Sullivan, the vice president, and his sister-in-law secretary-treasurer? You do not know that?

Mr. BROCK. No.

Mr. SULLIVAN. Do you know, Mr. Brock, that John P. Sullivan owns all of the stock of the Navillus Realty Co., and that no one else owns a single share, and that that proposition has prevailed for years? You don't know that?

Mr. BROCK. No.

Mr. SULLIVAN. Mr. Brock, do you know that there has never been offered, as Senator Long stated on the floor of the Senate yesterday, by the Navillus Realty Co., any stock of the Navillus Realty Co. to anyone for sale? You don't know that?

Mr. BROCK. What?

Mr. SULLIVAN. Senator Long stated on the floor of the Senate yesterday that in this racketeering corporation, the Navillus Realty Co., that it borrowed money from the Hibernia Homestead Association with which to purchase property, and then sold it to unsuspecting investors, stock of the Navillus Realty Co. at \$100 a share?

Senator LONG. That ought to be the Hibernia.

Mr. SULLIVAN. I state that that is in the record. I ask you if you know that.

Mr. BROCK. I don't know that.

Senator LONG. Hibernia.

Mr. SULLIVAN. Please. You can have the witness. Now, do you know that John P. Sullivan has or has not ever been alined as a member of any party or organization or stock outfit swindling or otherwise dealing with the bonds of the Home Owners' Loan Corporation? Do you know that?

Senator BARKLEY (interposing). Did he answer that?

Mr. BROCK. I don't know.

Mr. SULLIVAN. Did you know that John P. Sullivan has never had a transaction with the Home Owners' Loan Corporation?

Mr. BROCK. Not that I know of.

Mr. SULLIVAN. Do you know that John P. Sullivan has refused to represent people before the Home Loan Corporation?

Mr. BROCK. No.

Mr. SULLIVAN. Do you know that John P. Sullivan has never had a case before the Home Loan Corporation?

Mr. BROCK. No.

Mr. SULLIVAN. With the Hibernia Homestead Association, Mr. Brock, do you know that the Hibernia Homestead Association has thus far negotiated only five loans with the Home Owners' Loan Corporation?

Mr. BROCK. No.

Mr. SULLIVAN. You don't know?

Mr. BROCK. No.

Mr. SULLIVAN. One loan on February the 6th—

Senator LONG. Mr. Chairman, he is asking questions of the witness, and the witness tells him that he does not know about the Hibernia. Yet.

Mr. SULLIVAN. I am asking him, and if he says no, that is all right.

The CHAIRMAN. He is asking you if you know.

Mr. BROCK. Not yet. We have not yet made the investigation.

Mr. SULLIVAN. You made the investigation yesterday, and if there is anything wrong, it would be here today. The first loan, February 6, 1934, owed to the Homestead \$3,126.17 and sold for 33 shares of stock. The property went back to the owner. Do you know that?

Mr. BROCK. No.

Mr. SULLIVAN. Loan No. 2, February 19, 1934, owed to the Homestead \$7,065 and sold to a third party for 71 shares of stock.

Do you know that?

Mr. BROCK. No.

Mr. SULLIVAN. The party interposed, but the property went back to the owner.

Do you know that loan no. 3, March 31, 1934, owed to the Homestead \$1,977.47, and sold to a third party for 20 shares of stock in full-paid stock?

You don't know that?

Mr. BROCK. No.

Mr. SULLIVAN. Loan no. 4, March 14, 1934, owed to the Homestead \$2,861.06 and sold for 29 shares. You don't know that?

Mr. BROCK. No.

Mr. SULLIVAN. Loan no. 5, March 26, 1934, owed to Homestead \$2,712.85, and sold for 28 shares. You don't know that?

Mr. BROCK. No.

Mr. SULLIVAN. Total transactions of the Hibernia Homestead to date with the Home Owners' Loan Corporation amounts to \$17,683.22. You don't know that, do you, Mr. Brock?

Mr. BROCK. Did the Hibernia get the bonds in those transactions?

Mr. SULLIVAN. The Hibernia took over their shares of stock. That is all I know of. The shares of stock only.

Senator HASTINGS. Mr. Sullivan, may I ask you a question about that?

Mr. SULLIVAN. Yes, sir.

Senator HASTINGS. You speak there of the property having been conveyed to some third person. Is that a practice or is that necessary?

Mr. SULLIVAN. I understand the law is this, on the subject, and Mr. Habans is here and will explain everything. He is the home-loan manager.

Mr. RIGHTOR. Don't go into that. Mr. Habans will take care of all that.

Mr. SULLIVAN. All right.

Now, you state in your report fees and law costs due John P. Sullivan by the Hibernia Homestead Association, that was paid in on account of the Navillus Realty Co., that the fees were \$1,798.50. That is shown on your report.

Mr. BROCK. Yes, sir.

Mr. SULLIVAN. Do you know of your own knowledge what those fees were?

Mr. BROCK. There is a schedule of them in the report.

Mr. SULLIVAN. It is just \$1,700 and some odd.

Mr. BROCK. I think it is itemized.

Mr. SULLIVAN. I have not seen it.

Senator LONG. It is in the report.

Mr. SULLIVAN. Yes; here it is; right on the back.

Just keep that, Mr. Brock.

That schedule shows legal fees and foreclosure fees in the matter of G. Black, including costs advance by John P. Sullivan, \$350; to Mr. and Mrs. W. T. Maguire, \$51.50; and so forth.

Do you know as a matter of fact that the homestead act permits the attorney in foreclosure proceedings to charge 10 percent? Do you know that?

Mr. BROCK. Well, there has not been much of that lately.

Mr. SULLIVAN. I understand that. Do you know that the fees charged by this attorney are less than one half of 10 percent? You don't know that, do you?

Mr. BROCK. No; I don't know the amount involved there.

Mr. SULLIVAN. And this stock that was transferred to the Hibernia Homestead Association, that stock is Mrs. Sullivan's stock, Mrs. Katherine F. Sullivan; do you know that to be the fact? It is on the books.

Mr. BROCK. It is on the records.

Mr. SULLIVAN. The records show that.

Do you know that we did not go out and buy any stock from anyone at a less price to pay in on account of that loan?

Mr. BROCK. That is not indicated.

Mr. SULLIVAN. That is not indicated. Mrs. Sullivan's stock—do you know when it was acquired? The records will show it.

Mr. BROCK. I think one of my examiners knows.

Mr. SULLIVAN. I have it here, and I am going to ask you. Certificate no. 1364, dated February 12, 1923, for 50 shares, \$5,000; certificate no. 1504, July 20, 1923, \$400; certificate no. 1605, January 16, 1924, 4 shares, \$400; certificate no. 1694, dated July 3, 1924, 5 shares, \$500; certificate no. 1731, dated July 28, 1924, 2 shares, \$200; certificate no. 2142, dated March 3, 1926, 80 shares, \$8,000; total, \$14,500.

The last purchase by Mrs. Sullivan was March 3, 1926, or 5 years prior to the transaction. That is correct, is it not?

Mr. BROCK. I cannot say, but I know it has been there for quite a while.

Mr. SULLIVAN. It is there for quite a while. You referred to a passbook of \$530.61. That likewise represents money put in by John P. Sullivan; that is his passbook, is it not?

Mr. BROCK. I don't know.

Mr. SULLIVAN. You referred also to the \$2,600 paid by John P. Sullivan and the cash payment of \$2,365. You know that, don't you?

Mr. BROCK. That is in the report.

Mr. SULLIVAN. Now, Mr. Brock, is it not a fact that the Hibernia Homestead Association has paid from the time of its organization in 1902, and you knew my father-in-law, Captain Fitzpatrick, did you not, Mr. Brock?

Mr. BROCK. Yes.

Mr. SULLIVAN. Captain Fitzpatrick was president of that Homestead from 1902 until the time of this death in 1919. That is correct, is it not?

Mr. BROCK. I could not say positively.

Mr. SULLIVAN. You knew that Captain Fitzpatrick was succeeded by Frank B. Sullivan, did you not?

Mr. BROCK. I would not want to say that.

Mr. SULLIVAN. Do you know as a fact that Frank B. Sullivan serves that Homestead without pay? Your records show it.

Mr. BROCK. Whatever the records show.

Mr. SULLIVAN. The first dividend, the first cut in the dividend, was on July 1, 1931, paid at the time 1½ percent, and on January 1, 1932, the dividend was paid on the basis of 1½ percent? That is correct? The records show that.

Now, Mr. Brock, in your statement your quote a valuation of the property by Latter & Blum, this property that was transferred when

the dation en paiement was made. You referred to a letter saying that the property was appraised at \$50,000.

Mr. BROCK. That is in the record.

Mr. SULLIVAN. Is it not a fact that there is in the record, and the original is in New Orleans and there is no way it can be detached from the records of the homestead file, a letter from Latter & Blum which is dated June 20, 1931, addressed to the Hibernia Homestead Association, 636 Commercial Place, and states:

DEAR SIR: At your request we have inspected the following properties—

Describing the properties—

and it is our opinion that this property is worth \$50,000.

That is correct? It is signed by Latter & Blum.

Mr. BROCK. I don't know.

Mr. SULLIVAN. Latter & Blum are a reputable firm of real estate men in New Orleans, one of the largest concerns doing business in New Orleans.

Mr. BROCK. They have been in business a long time.

Mr. SULLIVAN. And a letter of June 29, 1931, addressed to the Hibernia Homestead by Latter & Blum:

With reference to our letter of June 20, appraising property on Carondelet and Julia Streets at \$50,000, beg to state that this price is based upon the present depressed real estate market. The intrinsic value of the property, of course, is very much higher, and when and if the real estate market improves, this property should break a higher price. For your information, property in this same block on Carondelet Street has sold as high as \$1,000 per foot, and property on Julia Street as high as \$500 per foot.

And signed by Latter & Blum.

Do you know, as a matter of fact, that if the prices obtaining in good times were applied, this property that was surrendered for \$40,000, and that Latter & Blum appraises for \$50,000, with the good-times prices quoted by Latter & Blum, that that property would be worth \$91,500?

Mr. BROCK. I could not say as to that.

Mr. SULLIVAN. Do you know as a matter of fact that Mr. Joseph L. Onorato, a reputable realtor in New Orleans of long years of standing—correct?

Mr. BROCK. Yes.

Mr. SULLIVAN. Says that the property in Carondelet Street, vicinity of Julia, St. Joseph, and Howard, was worth \$1,200 per front foot a few years ago and I think was as valuable as Baronne and St. Charles, the streets paralleling Carondelet on either side, where sales were being made at \$1,200 to \$1,500 a front foot.

At the time I refer to, the property in side streets such as Julia, tributary to main streets, like Carondelet, were selling as high as \$700 a front foot.

And do you know as a matter of fact that if these prices were applied to that property which was surrendered for \$40,000, that that property, according to Mr. Onorato's figures obtaining in good times, would be worth over \$100,000?

Mr. BROCK. I don't know.

Mr. SULLIVAN. Mr. Brock, speaking of the age of these loans, the Navillus Realty Co., the three loans standing on the books finally, one for \$20,000, one for \$25,000, and one for \$10,000, making a total

of \$55,000—is it not a fact that on June 30, 1931, your report of your bank examiner said:

These loans have been in the association for approximately 9 years and show a reduction of \$3,000. The interest payments are more than 9 months in arrears, and, since the property is revenue-producing, if the loans are not paid out in satisfactory condition at once, they should be foreclosed upon in order that the property may be administered by the association to better advantage.

Signed by Mr. Hill. Mr. Hill is your examiner, is he not?

Mr. BROCK. Yes, sir.

Mr. SULLIVAN. This property, this loan of \$40,000, was on July 15, 1931.

Mr. BROCK. But it was not foreclosed.

Mr. SULLIVAN. I understand that. There was a sale made on July 15, 1931. That is the \$40,000 transaction. Now, if the report of the bank examiner dated February 19, 1932, is as follows:

Loans originally made of \$55,000, refinanced on above date and reduced by payment of full-paid stock. These are entirely too large for an association of this kind to carry without exacting full and regular payments.

Thereafter the report of the bank examiner, after the property was turned back to the homestead, where it had a loan on it for 9 years, the report of the bank examiner of March 31, 1933, made by Mr. Schonberg, examiner—Mr. Schonberg made no criticism of the loan made.

The report is silent on the Navillus Co., the property being listed as owned by the Hibernia Homestead Association, and no criticism of any kind in that report by you.

Mr. BROCK. That calls for a little explanation. Mr. Schonberg had not been with the department very long. It was the first time he ever went into this building and loan association matter.

He did not know about it. He did not have any knowledge, and he did not connect that as that transaction having taken place subsequent to the previous transaction.

Mr. SULLIVAN. All right. When the stock was transferred to the Hibernia Homestead in July 1931, is there any criticism in any of your reports of that transfer of stock?

That is, by Mr. Schonberg, by you, or by anybody else.

Mr. BROCK. On that transaction?

Mr. SULLIVAN. Yes. Since 1931, up to the present time.

Mr. BROCK. There has only been one examination made since then, and that was made by Schonberg.

Mr. SULLIVAN. There was an examination made July 15, 1931, and there was an examination, another examination made on March 31, 1933, made by Mr. Schonberg. That is two examinations?

Mr. BROCK. Well, just as I explained—he had not been familiar. Perhaps he can better explain that.

Mr. SULLIVAN. I call your attention to 1933—that was March 31, 1933, the last examination Mr. Schonberg made—but on November 20, Mr. Schonberg made another examination, signed by Wood, assistant.

No criticism made of the loan, no criticism made of the transfer of that stock. That is another examination. That is your last examination on the subject.

Mr. BROCK. There should have been.

Mr. SULLIVAN. Sir?

Mr. BROCK. There should have been.

Mr. SULLIVAN. Do you know of any?

Why should there have been? It is right there openly on the books and you are supposed to investigate every transaction.

Isn't it a fact that just in the last few days, since Senator Long has had this matter under investigation in Washington, that this matter has been called to the attention of the bank examiner and he is asked to go in and dig up something that he has not reported on before. Isn't that so?

Mr. BROCK. No; that is not the fact.

Mr. SULLIVAN. Well, what is the fact? State it.

Mr. BROCK. Because, just as that first report—the loans were criticized.

Mr. SULLIVAN. What is that?

Mr. BROCK. The loans were criticized.

Mr. SULLIVAN. That was the old loan of 9 years' standing, \$55,000?

Mr. BROCK. And he recommended that it should have been foreclosed on.

Mr. SULLIVAN. He said the loan should have been foreclosed if payments are not made. Subsequent to that there was a payment made in full-paid stock of \$14,500. That is correct, isn't it?

Mr. BROCK. Yes.

Mr. SULLIVAN. There was a payment made of \$500 and some odd, that is on a passbook—that is correct?

Mr. BROCK. Yes.

Mr. SULLIVAN. There was \$1,700 and some odd due John P. Sullivan for fees, which was never disputed. Those were paid on account of the loan; is that correct?

Mr. BROCK. Yes.

Mr. SULLIVAN. And there was \$2,600 on a piece of property there.

Isn't it customary and isn't it a fact that when you have a loan and you make a payment of nearly \$20,000 on that loan, that you are entitled to have some of your property released?

Mr. BROCK. Well, I would not have handled it that way.

Mr. SULLIVAN. I understand that, but it is still on the books there, for all of those years, and there is no criticism that you made of these transactions, as bank examiner of Louisiana, either by you or any of your assistants, in your report.

Mr. BROCK. I depend altogether on my assistants.

Mr. SULLIVAN. I say, neither by you or your assistants.

Mr. BROCK. That——

Senator BARKLEY. As I understand, the criticism that was made originally was that the Homestead was too lenient on the borrower?

Mr. BROCK. It was a large loan.

Senator BARKLEY. And ought to have been foreclosed.

Mr. BROCK. Recommended.

Mr. SULLIVAN. Here is what it says. This is on March 31, 1931, and these loans were then consolidated with several loans, there were about three of them at that time, and on July 15, 1931, just 3 months thereafter, the bank examiner said in his report:

These loans have been in the association for approximately 9 years and show a reduction of \$5,000. The interest payments are more than 9 months in arrears and, since the property is revenue-producing, if the loans are not put in satisfactory condition at once, they should be foreclosed, in order that the property may be administered by the association to better advantage.

And then it became the duty of the Navillus Realty Co. to put those loans in satisfactory condition, and then, in the month of July, there was nearly \$20,000 paid on those loans, including interest that had accrued on those loans.

Senator BARKLEY. I understand.

Mr. SULLIVAN. That is all.

The CHAIRMAN. Is that all?

Senator LONG. Just a moment. I have some questions.

Mr. Brock, you have heard the testimony of Mr. Sullivan. Will you state whether or not in this transaction by which he deeded back the property, there was a difference from foreclosure, and, if so, what?

Mr. BROCK. The difference would have been a deficiency judgment.

Senator LONG. Against Mr. Sullivan?

Mr. BROCK. Against the concern.

Senator LONG. The Navillus Co. that he says he owns?

Mr. BROCK. Yes.

Senator LONG. I will ask you further if he could have extricated that piece of property, mortgaged for \$10,000, as was done, by paying only \$2,600, if it had been foreclosed?

Mr. BROCK. No, sir.

Senator LONG. He went free with the \$10,000 piece of property, as I understand it, did he not, for \$2,600?

Mr. BROCK. \$2,600.

Senator LONG. Instead of foreclosing on that, and instead of a deficiency judgment on the balance, that was transferred back for \$40,000?

Mr. BROCK. Yes, sir.

Senator LONG. In the year 1932.

Mr. BROCK. 1931, I believe.

Senator LONG. Let me have the sheets.

Mr. SULLIVAN. July 15, 1931, the loan was made, and December 1932, it was transferred back.

Senator LONG. In December 1932, it was transferred back, he said.

It shows here that on July 15, 1931, the \$40,000 loan was granted. It shows here.

You are familiar pretty well with what has happened in foreclosures down there, are you not, Mr. Bock?

Mr. Bock. Yes, sir.

Senator LONG. I will ask you to state from your knowledge of what has happened in these transactions, had this property been put up, including the \$10,000 piece that was extricated, would there have been a deficiency judgment in that suit?

Mr. BROCK. More than likely.

Senator LONG. Instead of his having a deficiency judgment, he got away with a \$10,000 piece of property, paying \$2,600. That is what happened?

Mr. BROCK. That was segregated.

Senator LONG. Was there anybody there who knew more the value of the stock of the Hibernia Homestead than Colonel Sullivan ought to have known?

Mr. RIGHTOR. The witness cannot testify to that.

Senator LONG. All right.

Mr. BROCK. Well, he was in close contact and kept in close touch with the association, of course, as I said yesterday.

Senator LONG. All right.

When he turned in this stock here for \$14,500—I understand that that is the amount, wasn't it?

Mr. BROCK. That is right; yes, sir.

Senator LONG. As I understand from your synopsis here, it was turned in at par.

Mr. BROCK. Correct.

Senator LONG. And listed as a payment at par.

Mr. BROCK. Yes, sir.

Senator LONG. And what was the stock of the value of at the time it was turned in?

Mr. BROCK. The best information I could get, it was around \$60 or \$65 a share.

Senator LONG. That was 35 or 40 cents on the dollar less?

Mr. BROCK. Yes.

Senator LONG. Now, Mr. Brock, there were plenty of them who wanted to turn their property back, and even without extricating part of it, and not have deficiency judgments, aren't there?

Mr. BROCK. Yes.

Senator HASTINGS. Are there any building and loan associations in Louisiana who have refused to accept stock at par and cancel an obligation due by the owner of the stock?

Mr. BROCK. They are not permitted under the law to accept stock for a note.

Senator HASTINGS. I had in mind a mortgage.

Mr. BROCK. That is what I mean, a mortgage note.

Senator HASTINGS. Is there a difference?

Mr. BROCK. If it is a mortgage note carried in a portfolio, the law prohibits the accepting of stock in payment of it.

Senator HASTINGS. Do you mean, then, that all of these transactions that you have recited here are illegal under the Louisiana law?

Mr. BROCK. A good many of these transactions set out in these exhibits, a good deal of that is property that has been repossessed by the building and loan.

Under this building and loan act they have a right to accept stock, using their own discretion, that is, in exchange for real estate.

Senator HASTINGS. Then do you mean that you could get around the law by letting your property be foreclosed by the building and loan, and then, subsequently go and tender the shares of stock for that property, and the building and loan may then, if it wants to, take it at par for that property?

Mr. BROCK. That is correct.

Senator LONG. In that case there would be a deficiency judgment, if the property had not brought the amount on the market?

Mr. BROCK. Correct.

Senator LONG. And in this case the law was perverted, for exactly the note that the law prohibited, did discharge an obligation.

Mr. BROCK. Let us see now. When was this?

Mr. SULLIVAN. July 15, 1931. The act that I referred to was passed in 1932, I believe.

Senator LONG. Oh. It was passed in 1932?

Mr. BROCK. Yes.

Senator LONG. Was there any law authorizing that practice before that time?

Mr. BROCK. No; there was no law authorizing it before that time, but in 1932 a specific law was passed to prohibit it.

Senator LONG. And regardless of how they do it, it is a subterfuge and a perversion on the law, regardless of what kind of a sham they go through?

Mr. BROCK. Correct.

Senator LONG. And everybody knows it is.

I will ask Mr. Sullivan on the particular point where I said the Navillus stock had been sold on the market. I want to find out, so that I can ask the witness a question.

Mr. SULLIVAN. The stock of the Navillus Realty Co.?

Senator LONG. Where was that said?

Mr. SULLIVAN. I read it in the record last night.

Senator LONG. I just want to ask a question of the witness and clear it up. I mean stock of the Hibernia Building & Loan Co.

The CHAIRMAN. It is admitted that you meant the other.

Senator LONG. I do not think it says that.

Now, I will give you a little example of a man that has been foreclosed, such a man as Mr. Nicholas D. Carbajol. He had a lot of loans like this, that they foreclosed on him.

The CHAIRMAN. Senator, ask him the question.

Senator LONG. Well, he is here and I will put him on the stand.

This loan had gone there for 9 years, had it not?

Mr. BROCK. Yes.

Senator LONG. Without the payment even of the interest, for part of the time?

Mr. BROCK. It was 9 months in arrears.

Senator LONG. Nine months in arrears on interest.

Mr. BROCK. At the time of this particular examination; yes, sir.

Senator LONG. Now, just one further matter, Mr. Brock.

It takes the help of the appraiser who goes into the Home Loan Corporation to give an appraisement for property on which a loan is to be made for twice the amount that it has been purchased for by a man acquiring this stock, doesn't it?

Mr. BROCK. Yes. All of the properties are approved by an appraiser of the Home Owners' Loan Corporation.

Senator LONG. What I am trying to state is that this man—

The CHAIRMAN (interposing). Senator, ask him the question, please.

Senator LONG. What I am trying to ask is this, so that the witness will understand and so that it will be clear to the committee.

This man who takes and gets the \$5,000 worth of stock for \$2,500 and gets the Home Loan bonds for that \$2,500, and then gets \$5,000 from the Home Loan Corporation stock could not do it if it was not through the assistance of the Home Owners' Loan Corporation, could he?

Mr. BROCK. Not ordinarily; no, sir.

Senator LONG. And Leon Burgess went out of the Hibernia Homestead and became the chief appraiser for the Home Owners' Loan Corporation, didn't he?

The CHAIRMAN. That is probably a matter of record.

Senator LONG. That is all.

Mr. SULLIVAN. Isn't it a fact that the Hibernia Homestead stock, July 15, 1931, that it was not on the market at all?

I am taking you right back to 1931.

Mr. BROCK. I made an investigation of that the other day, that there was some curb trading.

Mr. SULLIVAN. I told you as a matter of fact that we never know of any curb trading. Is that a fact? Would you believe it?

Mr. BROCK. I don't know.

Mr. SULLIVAN. You don't know?

Senator BARKLEY. Do you meant you don't know whether he tells you that or not?

Mr. BROCK. I don't know whether he knew it or not.

Senator BARKLEY. Did he tell you that?

Mr. SULLIVAN. I did not tell him I saw him there.

Senator BARKLEY. I thought you did.

Mr. SULLIVAN. No.

Isn't it a fact that from your investigation, that at that time the majority of the homesteads, or, if not a majority, half of the homesteads, or some of the homesteads, were accepting stock in payment of their loans, full-paid stock?

Mr. BROCK. Yes; but I did not like the policy.

Mr. SULLIVAN. It was the common practice of all of the homesteads, or a majority of them?

The CHAIRMAN. Was there some other question now?

Mr. SULLIVAN. No.

Senator LONG. As a result of what they have begun to do there, did you not report to the legislature that that was unethical and request a law making it a crime?

Mr. BROCK. Yes, sir. As a matter of fact, I wish it had prohibited the exchange of stock for real estate——

Senator LONG (interposing). If we had had an attorney general to prosecute them, it would. [Laughter.]

Senator HASTINGS. Was the law changed with respect to that? You said a little while ago that that was unlawful to do that.

Mr. BROCK. It is now.

Senator HASTINGS. Was it at that time?

Mr. BROCK. Well, it was just a question of the situation that there was nothing definite in the law.

Senator HASTINGS. How long has the law been in effect upon the subject?

Mr. BROCK. The legislature of 1932.

Senator HASTINGS. Then, prior to 1932, there was not any law against it?

Mr. BROCK. No. There was nothing specified.

Senator LONG. There was not anything in the law authorizing it, was there?

Mr. BROCK. No, sir.

Senator LONG. Didn't you check the proposition that it was not authorized by law even then? That was your position, wasn't it?

Mr. BROCK. Yes, sir.

Senator LONG. We could not get the attorney general to prosecute on that, could we?

The CHAIRMAN. I think he has answered sufficiently.

Mr. RIGHTOR. Mr. Chairman, Mr. Paul B. Habans is the manager of the State Home Loan Bank for Louisiana. He is here—

Senator LONG. I call Mr. Schonberg.

Mr. RIGHTOR. I ask the committee to permit him to make a statement of about 15 minutes. Would the Chairman at this time permit Mr. Habans to appear before the committee and make a statement for the State Home Loan Bank?

The CHAIRMAN. How many witnesses have you?

Senator LONG. My witnesses are from out of the city, and they are important officials also.

I want Mr. Schonberg next.

The CHAIRMAN. How many witnesses have you on this matter?

Senator LONG. Only two more. The two bank examiners.

The CHAIRMAN. How long will it take them?

Senator LONG. It won't take over 5 minutes.

The CHAIRMAN. If you can get through with them in 5 minutes, let us get through with them.

Senator LONG. I mean 5 minutes apiece, and it depends on how much their cross-examination runs.

The CHAIRMAN. Call these two witnesses and have them cleared up.

TESTIMONY OF IRVIN SCHONBERG, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Senator LONG. Mr. Schonberg, you have heard what I have been asking Mr. Brock, have you?

Mr. SCHONBERG. Yes.

Senator LONG. And what the members of the committee and others have been asking him?

Mr. SCHONBERG. Yes.

Senator LONG. I hand you these sheets—

The CHAIRMAN (interposing): Let us not go over the same things.

Senator LONG. He is the witness who, Mr. Brock said, would have to testify.

The CHAIRMAN. I understand that. He can just testify that he made it. Do not let us go into the same matter over again.

Senator LONG. Now, Mr. Schonberg, are you one of the men sent out into the offices of the building and loan and Home Owners' Loan Corporation to make the investigation and inspection as to what they were doing down there with regard to Home Owners' Loan bonds?

Mr. SCHONBERG. I was.

Senator LONG. I will ask you to please state what you found to be the practice they were pursuing as disclosed by the exhibits that have been filed here.

Mr. SCHONBERG. The general practice that was practiced in Louisiana regarding that transaction—I think Mr. Brock was a little bit confused about it. What really happens there is, the homestead has a vendor's lien on the properties. Of course, under the Louisiana law, the homestead is not able to swap its vendor's lien notes for the bonds of the Home Owners' Loan Corporation. It can, however, under the act of 1932, no. 140, accept stock for its repossessed property, and the property can be brought back into the association in

two ways: One, by foreclosure, second, by dation en payment. In order that those——

Senator HASTINGS (interposing). What sort of a payment?

Mr. SCHONBERG. Dation en payment.

In order that this subterfuge, as I may term it, could be put through, it was necessary on homestead vendor's lien notes for a third party to be brought into the transaction. Those third parties were, in numerous cases, various brokers, and the various parties mentioned as such.

Senator LONG. Were some of them connected with the Home Owners' Loan Corporation, like Mr. Eseman, as shown on your exhibit?

Mr. SCHONBERG. To my knowledge, I never knew Mr. Eseman or any of them personally. Any direct connection—I could not say that there was.

Senator LONG. But they were employed by the Home Owners' Loan Corporation?

Mr. SCHONBERG. I don't think that they were.

Senator HASTINGS. I wish that you would follow that explanation through.

Mr. SCHONBERG. In order that this transaction could be completed, a third party was necessary. What was done was that the broker would contact the individual who had lost his home or who had a note in the association which was in a delinquent condition; in other words, what may have been an undesirable loan for the association.

If it was a vendor's lien, it was necessary that this borrower be contacted, he must then deed his property back to the association by the dation en payment, as referred to.

Then it was necessary, of course, in the Home Owners' Loan Corporation bond transaction that the mortgagee sign a consent to accept the bonds; in order that the mortgagee could sign the consent, you will note that quite a number of these transactions occurred all on the spur of the moment. What happened there was this——

Senator LAFOLLETTE (interposing). What do you mean by saying "on the spur of the moment"? You mean simultaneously?

Mr. SCHONBERG. Simultaneously; yes.

What happened there was this: This borrower was contacted. His application was made to the Home Owners' Loan Corporation. Then it was necessary for the mortgagee to sign consent that he would accept the bonds. In some instances the mortgagee who was going to be the third party was not in the possession of the property, therefore this form letter, which has already been presented, was gotten up, stating to the Home Owners' Loan Corporation, and they would know that that was being done, because it was so stated to me by Mr. Kane, the secretary of the Hibernia Homestead Association, and a letter was addressed to Mr. Cochrane. They had to write to the Home Owners' Loan Corporation and testify, or rather, state that the interposed party would be in the possession of the property at the time the bonds were granted.

Senator HASTINGS. Who would be in possession?

Mr. SCHONBERG. The third party who was going to buy the property.

Senator LONG. Would be in possession?

Mr. SCHONBERG. Would be, or had a contingent interest. That was the contingent interest referred to.

However, in some cases the brokers would go direct and they bought the property after they had contacted and found that they would apply, and they bought the property themselves.

Going further into the transaction—after this was all agreed upon, the Home Owners Loan Corporation then granted the bonds. They had two appraisals. I think the first appraisal was made free of charge, and the second appraisal was made when, I think, a \$5 fee was charged.

They appraised the property at a certain value, say, \$5,000, and in that appraisal account was taken of back taxes which must be paid, and various other little charges; sometimes a second mortgage, or a deficiency judgment outstanding, and that, of course, must be deducted from the original amount of the bonds authorized, which brings down the amount, which I have explained here, the net amount of the Home Owners' Loan Corporation bonds issued, which is that last figure there, after all of those expenses and what nots were deducted from those bonds.

Those bonds, of course, as we lead up to, were issued to the third party. The third party, when he found those bonds were issued, of course, had to acquire the property from the homestead.

He went out on the market and bought shares at a discount. Incidentally, the figures quoted of Eureka and the majority of the homesteads were quotations direct from the records of the New Orleans Stock Exchange. They are all listed. They have been listed for some years.

Prior to that there was no listing of the homestead stocks, but they were largely dealt in by the various brokers in New Orleans.

From those quotations, estimated, we will say bonds issued by the Home Owners' Loan Corporation at various dates had a different price; in other words, you will remember that at one time they were 80 and now they are above 100. It was necessary to go out and get the dates and also the quotations from the brokers' offices in New Orleans of the Home Owners' Loan bonds under the date of the transactions.

After this third party had bought the stock, he took it to the association, and, in some instances, he had to make a cash payment along with the stock—not very many of them. He then bought the stock, we will say, at 50 cents. Then the \$5,000 mortgage note, or the property, as it may be, to handle the transaction, was sold to the third party. The third party then received bonds of the Home Owners' Loan Corporation, which he sold on the market, and the spread between what he paid for that stock and the price he got for the bonds in numerous cases, as shown in the schedules, represented a very great profit, ranging from \$200 to \$1,500 for the broker. That was the first type of transaction that was put through.

The second type that was put through, as evidenced in the Eureka Homestead—of course, Mr. Hill dug that information up, and he can better testify on it, and that was this: Homesteads, of course, in New Orleans have adopted a policy—

Senator LONG (interposing). By "homesteads" you mean "building and loans"?

Mr. SCHONBERG. They are entitled as homesteads, and some building and loan. Some building and loan and some homesteads.

Senator LONG. All right.

Mr. SCHONBERG. A policy of having exclusive agency on their real estate. In other words, this real estate broker has exclusive rights to all sales of their property. The reason they give for granting this is that this broker who is spending a lot of his time on those properties, and is justified in receiving the commission. We have had some little arguments on that in the department, but that is neither here nor there, the amount of the commission. This real estate broker, of course, has access to those various properties.

What happened in the case of the Acme Homestead was that these brokers went out and contacted those borrowers who already lost their homes. Evidently it was agreed that they were going to go into the Home Owners Loan Corporation. These brokers went in and bought those properties from the homestead association at figures that the homestead exacted.

When they bought that property, they then owned the mortgage, and then they went to the Home Owners Loan Corporation, and borrowed so many bonds on the transaction. The borrower then received the bonds and turned them over to the mortgagee, who then held the property, and he sold the bonds or held them, and he had a profit right there. That was another form of racketeering that is going on.

As a matter of fact, it is general in Louisiana that this has been going on.

Now, regarding the Home Owners Loan Corporation——

Senator HASTINGS. I would like to inquire as to the last instance that you give, and the first one, too. Doesn't the original owner of the property get his property back?

Mr. SCHONBERG. He does.

Senator HASTINGS. And he executes the new mortgage to the Home Loan?

Mr. SCHONBERG. That is right.

Senator HASTINGS. Now, go ahead.

Mr. SCHONBERG. Now, I will go ahead on the knowledge of the Home Owners Loan Corporation. At the time this thing was in its infancy and beginning to get started, as Mr. Sullivan stated, in questioning Mr. Brock, I made a second examination of the Hibernia Homestead Association. That examination was merely a contact examination with the board of directors, made for the purpose of reviewing the previous report of the first half of that year.

In this examination we discussed the various comments in that report, and those comments were gone over with the directors, and we tried to outline policies which we thought would be good policies for homestead and building and loan associations to pursue.

If I recollect correctly, Mr. Sullivan was not present at that meeting.

At the end of that meeting Mr. Kane advised me of this plan and asked me what the banking department thought of it, and I stated to Mr. Kane that the banking department looked upon it with disfavor.

Senator LA FOLLETTE. When you say "this plan" you refer to transactions——

Mr. SCHONBERG (interposing). Third-party transactions. In other words, getting around the law.

He stated to me that Mr. Leon Burgess, who was connected with the Home Owners' Loan Corporation, I think as official State ap-

praiser, had advised through Mr. Habans that this type of transaction was perfectly agreeable to the Home Owners' Loan Corporation, as evidenced by the form letter taken from the Greater New Orleans Homestead Association, and it was with their knowledge, because it had to be, in order to draft this form; in other words, the mortgagee who had not yet the property had to give his consent.

Senator LONG. Who was that letter addressed to?

Mr. SCHONBERG. That letter was addressed to Mr. Sam Cochrane, special agent of the Home Owners' Loan Corporation.

Senator LONG. In other words, they would have to be in on it with the letter for the letter to be addressed to them?

Mr. SCHONBERG. That is correct.

Senator BARKLEY. What do you mean by "in on it"?

Mr. SCHONBERG. In other words, what I mean by that, they would have to have knowledge of this being done in that manner.

Do you happen to have the schedule on the Navillus Realty? I would like to clear up quite a few of those questions.

Senator LONG. Yes, I have a copy here. Here it is, and here is that letter, too.

Mr. SCHONBERG. I would like to have my own copy, if you don't mind.

Senator LONG. See if that is not it.

Now, go ahead, Mr. Schonberg.

Mr. SCHONBERG. We will first go into the examinations and reports. As Mr. Brock testified, I was new in the department. I went in to the State banking department approximately in November 1932.

Mr. Hill had previously handled the majority of the homestead examinations alone. It is nothing uncommon at all to see in the real-estate associations perhaps about \$40,000. In other words, at the time I made that report that company had already gone into the real estate and, if the committee so sees fit, they can say it was neglect on my part, but I do not think that it was. I knew nothing of the past occasions that have been taken up with the Navillus Realty Co.

However, in discussing it, Mr. Wood, the assistant supervisor, and Mr. Hill, the examiner—this Navillus Realty Co. proposition had been in discussion as a Sullivan interest, and the Hibernia Homestead, for some time, and it happened that when the thing was brought up to my attention, the reason I have always remembered, from my previous report you will find that the association operated that property for a 6 months' period ending, I believe, June 1933, at a \$19,000 net loss.

Mr. SULLIVAN. What did you say?

Mr. SCHONBERG. In other words, the net cost of the operation of those properties—

Mr. SULLIVAN. What properties?

Mr. SCHONBERG. We have what we call in the homesteads operating expenses of real estate.

Senator HASTINGS. What period are you now discussing?

Mr. SCHONBERG. I am discussing the Navillus Realty Corporation.

Senator HASTINGS. That was prior to 1932, wasn't it?

Mr. SCHONBERG. Yes, sir. In other words, I am trying to clear up the information that Mr. Sullivan has brought out from Mr. Brock, he not being quite familiar with it.

Senator HASTINGS. It did not occur to me as Mr. Sullivan was asking all of those questions that this was particularly important.

Mr. SCHONBERG. I would like particularly to show these credits that Mr. Sullivan showed for these \$5,000.

The CHAIRMAN. If we are going into that, will you desist for a few moments, Mr. Schonberg, and we will get through with Mr. Habans, and then we will call you again. We want to get through with Mr. Habans.

Mr. Habans, will you come up?

TESTIMONY OF PAUL B. HABANS, NEW ORLEANS, LA.

(The witness was duly sworn by the chairman.)

Mr. RIGHTOR. Mr. Habans, will you make your statement?

Mr. HABANS. Mr. Chairman and gentlemen.

The CHAIRMAN (interposing). You are a member of the Home Loan Corporation in Louisiana?

Mr. HABANS. I am the State manager for Louisiana of the Home Loan Corporation, and, by way of introduction to my statement and because of the numerous criticisms that have been directed at the Home Owners' Loan Corporation in Louisiana, I am going to make this opening statement which I shall verify with documents later in the discussion.

Every policy and practice of the Home Owners' Loan Corporation in Louisiana has been submitted to and approved by the Washington office.

As frequently reported by me to the Washington office, the conditions prevailing in Louisiana and more particularly in New Orleans are different from everything else which is known throughout the United States.

Senator HASTINGS. I should think that was true. [Laughter.]

Senator BARKLEY. That does not only apply to Home Owners' Loan.

Mr. HABANS. No, but to almost everything else.

I am going to discuss the law and its relationship to the type of loans that we make, but, in answer to the suggestion which was very kindly made, I want to say that we began under fire in Louisiana, criticized, and the public was discouraged by propagandists, and we continued to work until now the type of work that we are doing is being commended by the Washington office of the Home Owners' Loan Corporation.

What I particularly had in mind, however, when I said that conditions were different, was the operations of the State law, which I submit to you in all fairness might be said to be vicious, and that same State law was advocated by the State bank examiner who appeared on the stand this morning, a law which does not permit the owner of the property either to apply shares which he owns in the homestead or the building and loan association to carrying his loan, on his loan, or for reduction, or to apply stock which he can go out in the market and buy for the purpose of discharging his obligation.

That right being reserved in the law to some third person or outsider, to be exercised in the way in which it was described here, of buying loans on the market and paying off obligations to buy real estate.

That particular act, no. 140 of 1932, has been the subject of litigation and has been tested out in the courts, and that proceeding of paying off obligations with the stock by some third person has not only been permitted to take place by the State banking department but it has been recommended in the recent case bearing the Supreme Court docket no. 32763 and entitled the "*Harding Realty Co., Inc., plaintiff and appellee, v. Oliver C. Blanchard, defendant and appellant*". The attorneys in this case for the plaintiff appellee, which is along the line of a building and loan or homestead, as we call them, attorneys.

It was in its nature a test case. They wanted the court of last resort to pass on the question so that there could be no doubt in the minds of anybody as to what the rights were concerning third persons discharging the obligations with the stock, because of the effect complained of by other stockholders in building and loan associations.

As a part of the testimony in this case, and it was submitted with the approval of counsel on both sides, appears a statement of the State banking department of Louisiana on the stationery of J. S. Brock, State Banking Commissioner, and of the building and loan division, W. E. Wood, assistant supervisor, who has full and complete control under Mr. Brock of the operations of all building and loan associations, as I understand it, in the State.

That letter, which it will take me just about 2 minutes to read—I think it elucidates and explains the operations recommended by the State banking department as to building and loans, and which we came into the field and found to exist, and I am going to ask your indulgence for just a moment, and I think I can read that clearly enough for all of you to understand what is being said.

This is dated February 6, 1934.

(The witness read the letter referred to, of W. E. Wood, assistant supervisor, re Louisiana Supreme Court docket no. 32763. Subsequently the clerk received the following letter from Mr. Habans, enclosing copy of the letter written by Mr. Wood and referred to above.)

HOME OWNERS' LOAN CORPORATION,
LOUISIANA AGENCY,
New Orleans, La., April 13, 1934.

Mr. F. M. JOHNSTON,
Secretary Senate Finance Committee, Washington, D.C.

DEAR MR. JOHNSTON: Pursuant to request, I am attaching hereto for the files of the committee, copy of the letter of the State banking department on the subject referred to therein, and for your additional information, the case of *Saint v. Allen* may be found in the 169th Louisiana Reports, page 1046.

This is also to confirm that Mr. Brock, the State bank commissioner, was originally appointed by Gov. John M. Parker.

Trusting that this is all of the information you require in your message conveyed to me by Congressman John N. Sandlin, I am

Yours very truly,

P. B. HABANS, *State Manager.*

STATE OF LOUISIANA,
STATE BANKING DEPARTMENT,
Baton Rouge, February 6, 1934.

W. E. WOOD,
*Assistant Supervisor Building and Loan Division,
New Orleans, La.*

Section 47 of Act 140 of 1932 was enacted by the Legislature of Louisiana on the recommendation, and with the approval of the State Banking Department of Louisiana.

Obviously, the unprecedented economic depression in this country has caused nation-wide unemployment, a tremendous shortage in cash funds, and serious decrease in real estate values. Great distress has resulted in Louisiana. The building and loan associations of this State have suffered particularly because of the inability of many unemployed and distressed borrowers to continue the making of the usual payments on loans; and these associations have had to repossess millions of dollars of real estate, where the borrower was utterly unable, because of the depression, to continue his installments.

To carry these properties at a time when tenants are difficult to get, to maintain and keep these properties in repair, and especially to provide for heavy tax payments and paying charges on these repossessed properties, has been a tremendous burden on these associations. Nor could these properties in many cases be sold without incurring a tremendous loss.

In such circumstances, it was clearly advantageous to obtain from the legislature in 1932 a provision for the sale of these repossessed properties for stock in the respective building and loan associations.

Repossessed properties are carried as an asset; and as acquired each parcel replaces on the association books the mortgage note account which was canceled when the mortgaged parcel had to be taken over by the association. On the other hand, the outstanding shares of the association represent the funds invested with the association and which the association owes to its members, and constitute a liability of the association.

Especially when shares are selling at a discount in the open market, it becomes possible for these building and loan associations to make sales of this repossessed real estate to be paid for in the shares of the association. The intending purchaser uses his own shares, or shares which he has been able to buy in the open market, and he can exchange these shares for a parcel of repossessed real estate which the association is carrying on its books.

If the associations were compelled to sell these repossessed parcels only for cash, they could, at present price of real estate and under present conditions, only obtain a cash price which would in many instances entail a heavy loss on each transaction. Where, however, under this new statute, the association is permitted to accept its shares in payment for these repossessed parcels, the intending purchaser, with the outlay of a moderate amount of cash, is enabled to buy enough shares to wipe out the corresponding loan account of the association. Thus, the purchaser makes a bargain; and the association loses nothing, because, on selling its property for shares, the Association usually is able to receive and to cancel a number of shares corresponding to the total amount of its investment in the property which it had been compelled to repossess and which it was carrying on its books.

By such an arrangement, all the shareholders of an association are benefited and the financial statement and condition of the association is improved, because the association is more likely to get rid of its repossessed real estate without loss, through the process of the reduction of its stock liabilities in an amount corresponding to the sum at which the repossessed parcels were carried on the books of the association.

Further, it should be noted that intending purchasers, in order to make up the price which they are willing to pay for these repossessed properties, must frequently acquire some of these shares in the open market. In that respect, this statutory provision has operated to create, in many instances, a market for building and loan shares, with the result that the price of these shares has been maintained, and that those shareholders, who find themselves under the necessity of disposing of their shares, are thus able to obtain a better price than they would otherwise receive. Section 57 has, therefore, been of benefit to building and loan shareholders in that regard also.

Adopting these considerations which had worked satisfactorily in other States, the State banking department accordingly recommended the enactment of such a provision (sec. 57) to the Legislature of Louisiana. In this recommendation, the State Banking Department received the practically unanimous support and cooperation of the individual building and loan associations of this State and of the Louisiana State League of Homestead Associations Act 140 of 1932, as appears from the journals of the house of representatives and senate, was thereupon enacted into law, by practically the unanimous vote of the members of the legislature of 1932.

By section 57, building and loan associations have disposed, and are now disposing, of millions of dollars of real estate, in this State, without reflecting any loss. In every case, it is assumed that the directors of the several associations,

in making these sales of repossessed parcels, have obtained the very best terms which are available for their associations and a price commensurate with the intrinsic value of each parcel thus disposed of. If this provision had not been enacted, these parcels in most cases could only have been disposed of at a real loss to the association, or else would not have been sold at all by the associations, and the associations would have had to continue to carry this real estate with inadequate rentals and at a heavy burden of maintenance, taxes, paving charges and what not.

The writer, in charge of the supervision of homestead and building and loan associations in Louisiana, had expressed his willingness to testify along the lines above set forth, in the case of *Harding Realty Co. v. Oliver C. Blanchard*, no. 205788 of the docket of the civil district court for the parish of Orleans, about to be tried by Judge H. C. Cage of said court. Being at this time absent on official business from the city of New Orleans, the writer is unable to appear as a witness at the trial of this case, and has prepared the present statement, setting forth the facts within the personal and official knowledge of the writer, for such use as the court or the parties in said suit may care to make thereof.

In conclusion, the writer unhesitatingly makes the following statements: (1) the power to sell repossessed property for shares of building and loan associations has inured to the great benefit of these associations and their shareholders in Louisiana; (2) said transfers, when conducted under the supervision of directors in each association and when stock is accepted at par or less for each parcel, improve the economic status and the financial position of the associations and enhance the value of the shares of the members of the associations; and the policy of making these transfers, as authorized by section 57 of the 1932 statute, has accordingly received the sympathetic encouragement and cooperation of the State banking department of the State of Louisiana; (3) the privilege conferred by section 57 is, and will continue to be, a useful and important factor in helping building and loan associations to weather the present financial storm and to hasten the expected rehabilitation of these associations as promoters of thrift and builders of homes in this State.

W. E. WOOD, *Assistant Supervisor.*

Now, Mr. Chairman, I grant you that much of what I have to say will have little or no bearing on the matter at issue before this committee, and I have tried to eliminate from my statement everything but what I thought was necessary and desirable to bring to this committee in defense against the charges which have been heaped on the Home Owners' Loan Corporations in New Orleans.

Senator CLARK. Let me ask you: Did Mr. Moore have any connection with the Home Owners' Loan Corporation?

Mr. HABANS. None whatsoever.

Senator CLARK. Did he ever have?

Mr. HABANS. None whatsoever.

Senator CLARK. Did you ever have any business transactions with him?

Mr. HABANS. None whatsoever.

Senator CLARK. In connection with the Home Owners' Loan Corporation?

Mr. HABANS. None whatsoever.

Senator CLARK. That is all.

Mr. HABANS. I want to outline, in reference to certain statements that have been made, why it has become necessary for the mortgagee to permit that, or to require the transactions in which there was a passing through the third person.

Senator HASTINGS. There is one thing that I would like you to discuss, and that is why it is, if it be a fact, that the Home Owners' Loan Association would loan any money under any circumstances to a person to repossess his property and permit any other person to make a profit on it?

Certainly it would seem, on the face of it, that if it be legally necessary that it pass through some third party, that all of that might be arranged by your own department and at the minimum expense to the home owner, and if there be any advantage in getting the stock on the outside, that that person get the advantage of it, instead of having a \$5,000 mortgage on the property at a time when he might have, in some instances, gotten off with \$4,000 or \$3,500.

Mr. HABANS. That is exactly what does happen, Senator, in most cases that we have.

Senator HASTINGS. Are there some cases——

Mr. HABANS. Just let me answer.

The borrower, when he finally grants his mortgage to the Home Owners' Loan Corporation, has secured the benefit of a reduction in the amount which he owes as an obligation.

Answering further your question, I think it suggests——

Senator HASTINGS (interposing). Just so that it may go through your statement. You do not have to answer it now.

Mr. HABANS. I think you had better let me arrive at it a little later, because I think my discussion of the problem will bring out facts that are unknown to this committee, and that with deference to the knowledge of the committee, of course, as to the types of transactions which we are having.

New Orleans, I said at the beginning, was different from almost any other place in the United States, and I had this in mind.

With its population of a little less than 500,000 people in the city proper, it has 52 building and loan associations or homesteads. In addition it has some 5 or 6 mortgage companies operated, as they generally are, by the banks, auxiliaries to the major banks, and during the time of prosperity all of these building and loan associations were reaching out for as much business as they could place on their books.

It was the pride of the secretary or the president of a building and loan association to be able to say, "I have a 2- or a 3- or a 5-million-dollar institution."

Those things were referred to with a great deal of pleasure and joy and happiness on the part of the representatives of these various associations.

As a result of their competition for business, building up the amount of the loans made by the association, it became a very common practice within my knowledge to find people making applications for loans not to 1 but to as many as 3 or 4 associations at one time, and accepting the loan eventually from the association which would grant the largest amount on the basis of its appraisal.

We are paying the price of that today. Real-estate values in our city were omitted in the making of these great numbers of loans to a point where appraisals made today or at any time in the future will never justify the paying out of those loans on the bases on which they were made.

Consequently, when we began making our appraisals, even to this day, serious criticism has been directed by individual officials of the building and loan associations and by the group as a whole, and the great amount of conservatism practiced by our appraisers in making appraisals on the properties which are the subject of applications for loans.

At our opening we were met with the propaganda which I described in the beginning, of two types: First, it was even stated or published by leading public officials that it was useless to make an application for a loan, that we would get about three loans through by the Christmas holidays, and that the loans would be very reluctantly given, because Habans and the officers of the corporation wanted to preserve the money to pay their salaries.

Now, that type of derision prevailed for quite some time, and everything that we undertook to do in carrying out the aim and purpose of this act met with that same type of criticism and derision from certain sources.

In addition, you know what the feelings over the United States were with respect to the bonds. In Louisiana that was particularly aggravated by reason of the influence of one of the leading building and loan men whose opinion and word was accepted by many executive secretaries of these associations as being final and binding.

He himself was declining to and refusing to accept the bonds of the Home Owners' Loan Corporation. He, within the last several months, however, has become convinced of the great value of these bonds, and is complaining now that we may not be able to put through his loans with a sufficient amount of speed.

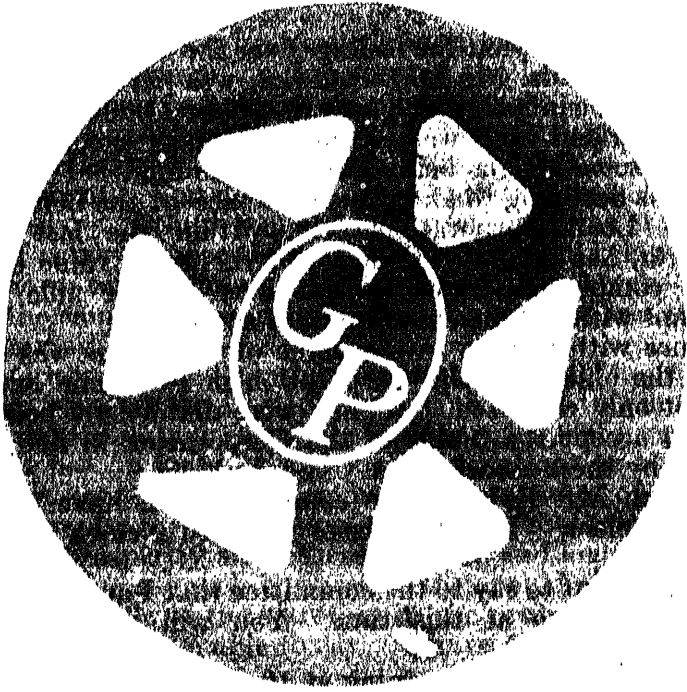
That influence with respect to the value of the bonds was so far-reaching that the officers of the Corporation in Louisiana and elsewhere were not only criticized, but they were derided by people for asking them to accept the bonds of the Corporation in lieu of the mortgages held by those associations.

The CHAIRMAN. Mr. Habans, the committee will have to recess now. It is 12 o'clock. We will recess until 10 o'clock tomorrow morning.

Mr. HABANS. I want to say to the committee that I appreciate very greatly your calling me at this time. You will meet tomorrow morning?

The CHAIRMAN. Tomorrow morning at 10 o'clock.

(Whereupon, at 12 m., a recess was taken until 10 a.m., tomorrow, Wednesday, Apr. 11, 1934.)



CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

WEDNESDAY, APRIL 11, 1934

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to adjournment, at 10 a.m., in the Finance Committee Room, Senator Pat Harrison (chairman) presiding.

Present: Senators Harrison (chairman), Clark, Barkley, Lonergan, Keyes, La Follette, and Hastings.

Also present: Senator Long, Mr. Edward Rightor, Col. John P. Sullivan, and Mr. D. D. Moore.

The CHAIRMAN. We will resume with Mr. Habans.

TESTIMONY OF PAUL B. HABANS—Resumed

Mr. HABANS. Mr. Chairman and gentlemen, I endeavored yesterday to give to the committee a brief survey of what the policy of the Home Owners' Loan Corporation in Louisiana is and has been up to the present time. I had about reached the point where I want to take up the suggestion that there is profiteering in Louisiana. I want to say here and now that there is no denial that profiteering goes on in Louisiana, nor that it takes place anywhere else in the United States, but I do want to say most emphatically that there is no profiteering within the Home Owners' Loan Corporation of Louisiana. Profiteering has been a problem to the Board of the Home Owners' Loan Corporation since its beginning.

The manner of handling transactions so as to avoid the making of undue sums of money by people on the outside, and the effort on the part of the Government to secure such benefits as may come from stock transactions for the home owner. The problem came up quite some time ago. There were rumors and more rumors of what people outside were doing, and in order to check up definitely on the manner in which the Louisiana corporation was operating I sent the State counsel to Washington some time in the latter part of February, and had him spend 2 days here going over the manner of handling loans to assure myself and the Corporation that whatever was being done was being done within the law and within the spirit and policy of the Board at Washington. After spending 2 days here, the State counsel came back with a favorable opinion from the General Counsel at Washington on the manner of handling these transactions. Later on in March—

Senator LONG (interrupting). Was that in writing?

Mr. HABANS. Yes, sir. Later in March, the rumor or suggestion of profiteering came up again in the Corporation at Washington,

and a bulletin was sent out from Washington to all State departments, and on that occasion I called in the president of the Homestead Clearing House Association of New Orleans, and at my suggestion they called a meeting of the executive committee of the Homestead Clearing House Association of New Orleans, and they made a report which I sent to Washington, stating in their own language what was going on with the Homestead of New Orleans. His statement, which I shall give to you in the best form I can remember on that subject—

Senator LONG (interposing). That is in writing?

Mr. HABANS. That is in writing.

Senator LONG. I want it read, Your Honor.

Mr. HABANS. I have a copy of it, Senator. If you wish it read, I will read it.

The CHAIRMAN. Let it be put in the record.

Mr. HABANS. It is lengthy. It is about 2 pages.

The CHAIRMAN. Let us put it in the record.

Mr. HABANS. I will put the copy in the record.

Senator LONG. I understand Washington approved it, you claim?

Mr. HABANS. I am talking about the report of the Homestead Association which was sent in March to Washington.

Senator LONG. All I am interested in is these transactions, and the kind of transactions of breaking off a \$1,000 on a loan. And more. That is all we are interested in.

Mr. HABANS. I said Washington approved our manner of handling loans in Louisiana, and it was with the knowledge that stock transactions that were being handled there—

Senator LONG (interposing). Was it with knowledge that they were making these profits down there?

Mr. HABANS. It was not with the knowledge. It was with the suggestion that profits were being made. I am not here to verify such figures as have been submitted by the State banking department. I know nothing of those individual cases, the amount of profits and the total that any one of them might show. I do know, however, as a general thing—

Senator LONG (interposing). I want to see the paper which Washington approved.

Mr. HABANS. I will give it to you in just a minute. Now, to get back to the trend of thought—

Senator HASTINGS (interposing). Have you that particular paper there?

Mr. HABANS. What paper?

Senator HASTINGS. The one that Senator Long referred to.

Mr. HABANS. Yes, sir; I have it.

Senator HASTINGS. Is that the paper that you wanted to put in the record?

Mr. HABANS. Yes, sir. Then I have something else to put in the record on the same subject.

Senator HASTINGS. Have you that there also?

Mr. HABANS. Yes, sir [handing documents to Senator Hastings]. I will have to use that document that I just handed Senator Hastings.

The effort of the Government has always been to eliminate profiteering. The policy of the Government, however, in this Corporation, as I have understood it, and as it has come to me and as we have tried

to practice it with the conditions confronting us, can be best illustrated in this way. There are two houses, homes, built side by side. Each is identical with the other in every respect. They have a mortgage of \$5,000 on them. The mortgages are held by different persons. The mortgage holder in one instance is in distress himself and sells his mortgage, say, for \$4,000 or \$3,000. The mortgage holder in the other instance is not in distress and holds on to the paper. Both home owners come to the Home Owners' Loan Corporation and make application for loans. They are both found to be eligible because they are in distress, and we go on and appraise, and necessarily the appraisal should be the same for each property. The amount available for a loan, if the mortgage had the right equity would be say \$5,000 in each instance. In the one case the man has \$5,000 invested in the mortgage—the mortgage holder. In the other case the mortgage holder bought it for, say, a sacrifice of \$3,000. He refuses to accept the bonds of the Home Owners' Loan Corporation to refinance the mortgage, and we have nothing to do but to pay him out in order to save that home. That is what the Home Owners' Loan Corporation has had to face in Louisiana and everywhere else.

Notwithstanding the fact that some persons may secure benefits by reason of the purchase of paper, if it becomes necessary, it is the policy, as I understand it, of the Corporation to loan as much as can be loaned to save homes of distressed applicants.

Senator BARKLEY. In other words, in the case where a man has bought the mortgage at discount, he has, of course, the option of accepting or not accepting Home Owners' Loan Corporation bonds?

Mr. HABANS. Yes, sir.

Senator BARKLEY. He can go into court and enforce his mortgage against the property at the full face value of \$5,000?

Mr. HABANS. The full face value; yes, sir.

Senator BARKLEY. He would make a profit in either case if the property sold for the amount of the mortgage, or if he bought it in for the amount of the mortgage, and later sold it for that cash or more; he would still make the profit?

Mr. HABANS. He still would.

Senator BARKLEY. Although the Home Owners' Land Corporation had nothing to do with it at all?

Mr. HABANS. That is exactly the proposition we are in with most of these cases. The building and loan associations in the beginning, as I stated, were declining to even permit refinancing with bonds of the Home Owners' Loan Corporation. The bonds for a long time were selling in the eighties. Then they one by one reached the point where they were willing to accept the bonds. The appraisals in most cases were so low that they found it necessary to go out and use the stock transaction. I should say in most of the homesteads in New Orleans, the building and loan associations, the attorneys of those associations had given them opinions, as they stated to me, to the effect that they could not or were not permitted under the State law to take for their mortgages the bonds of the home owners. They then declined the bonds and stated as their reason for doing so that they were not permitted under the law to accept those bonds. Some of them even yet maintain that position.

Last Friday when I was at the annual meeting of the building and loan associations of the State, that question came up for discussion with reference to the report of the legal committee of the association. It is the opinion of the chairman of that committee, however, that section 11 of that act is sufficient authority for their taking the bonds.

Senator BARKLEY. I did not get quite clearly yesterday the difference between the legal situation prior to the passage of this act in 1932 and since, in the Louisiana legislature, which made it necessary for this third interposing party to come into this transaction. I still do not have that very clear.

Mr. HABANS. Senator, I think it only requires the dealing with this act of 1932. The act of 1932 does not permit—and that was the point that I was trying to make—the borrower from the building and loan association to pay off his obligations with this stock of the association.

Senator BARKLEY. Up to that time he could?

Mr. HABANS. I am not going to answer that. I think that that was the fact prior to that time, but I am not certain. I would have to look at the act, but I do know that since 1932, and that is the period that we are concerned with, the building and loan association may not accept in payment of the obligation of the borrower, the home owner, stock of the association, though that stock can be used to pay for real estate sold by the building and loan association to others. And that was what necessitated the intermediary transaction.

Senator BARKLEY. In other words, the owner of the home, the mortgagor, is not now permitted to buy stock in the association that has the loan and turn that stock in as against his loan?

Mr. HABANS. No, sir. He is not permitted to do that under the law.

The CHAIRMAN. The third party is?

Mr. HABANS. A third party may pay for real estate to the association with stock. That was the part that I thought was vicious to the home owner.

As another evidence of what the Home Owners' Loan Corporation in Washington, the Washington office, and the board has been trying to do to minimize or eliminate the profiteering which has been going on generally over the country where stock transactions take place. they passed a resolution on the 9th of April which has not been sent out yet, but which, by reason of my visiting with the manager and the general counsel yesterday, I got a certified copy of, and that resolution I think is probably the first effort of the Corporation, of the kind that has behind it some power or authority to deal with this question in a way that will eliminate the profiteering which has been going on generally over the United States, and it does that because it sets up a condition which we have not had before, which has for its purpose enabling the Corporation, through constituted agencies, to handle stock transactions.

Senator BARKLEY. In other words, it sets up its own third party?

Mr. HABANS. No. It sets up an escrow party, and I will read you just a few paragraphs of that, which gives you the light. The preamble is this. It says:

Whereas many cases have arisen and many more will arise wherein institutions whose stock or other securities are acceptable by them at par in payment for mortgages and/or foreclosed homes, and which stock or other securities can be

purchased at very much less than its par value, thus making it possible to benefit either the home owner, as was intended, or a speculator, which is not desirable, be it

Resolved, That the Board approves the following procedure in such cases:

1. Applications may be accepted from eligible home owners who have mortgages within any such institution, or who desire to redeem from any such institution any home title to which institution has taken by foreclosure or voluntary conveyance from such applicant, and such application may be carried through to the point where consent of mortgagee is usually required.

2. The home owner may himself or through someone acting for him obtain options on a sufficient amount of stock, or other securities, in any such institution, which will and does agree in writing to accept such stocks or other securities at par in satisfaction of all eligible mortgages and/or homes held or repossessed by such institution, and cause such stock or other securities so optioned and such written agreement to be placed in escrow with some bank or trust company approved by the State manager.

They set up a bank or trust company as an escrow for the stock agreement and for the authorizations for bonds issued.

3. After the options of sufficient stock or other securities shall have been obtained and such written agreement shall have been placed in escrow as above provided, and if the application shall then be approved as to eligibility, appraisal and title, the loan may be closed in the following manner.

It is the usual closing manner, except that the payment is not made, or rather the release of the mortgage is not made until the stock is transferred to the homestead.

The CHAIRMAN. You can put that order in the record.
(The resolution and letters are as follows:)

RESOLUTION

Whereas many cases have arisen and many more will arise wherein institutions whose stock or other securities are acceptable by them at par in payment for mortgages and/or foreclosed homes, and which stock or other securities can be purchased at very much less than its par value, thus making it possible to benefit either the home owner, as was intended, or a speculator, which is not desirable: be it

Resolved, That the Board approves the following procedure in such cases:

1. Applications may be accepted from eligible home owners who have mortgages with any such institution, or who desire to redeem from any such institution any home title to which such institution has taken by foreclosure or voluntary conveyance from such applicant, and such application may be carried through to the point where consent of mortgagee is usually required.

2. The home owner may himself or through someone acting for him obtain options on a sufficient amount of stock, or other securities, in any such institution, which will and does agree in writing to accept such stock or other securities at par in satisfaction of all eligible mortgages and/or homes held or repossessed by such institution, and cause such stock or other securities so optioned and such written agreement to be placed in escrow with some bank or trust company approved by the State manager.

3. After the options on sufficient stock or other securities shall have been obtained and such written agreement shall have been placed in escrow as above provided, and if the application shall then be approved as to eligibility, appraisal, and title the loan may be closed in the following manner:

(a) The closing officer shall notify the institution and the applicant of a fixed date for closing, with the request that the institution on or before that date deliver to the escrow agent a proper release of the mortgage or a deed conveying the property to the applicant, as the case may be.

(b) On the closing date the applicant, having been vested with title to the property or having obtained a release of the existing mortgage by the deposit of such instruments in escrow, shall then execute the note and mortgage to this corporation and deliver the same to the closing officer.

(c) The closing officer will immediately thereupon deliver the bonds or cash, as the case may be, to the escrow agent, and withdraw the release of the mortgage or deed of the institution, as the case may be, cause the proper rundown of

title to be made, and file for record, the recordable instruments involved, and perfect other closing operations.

(d) Upon delivery to the escrow agent by the closing officer of the cash or bonds, as the case may be, and the withdrawal of the mortgage release or deed, as the case may be, the escrow agent shall be authorized to deliver the bonds or cash to the person entitled thereto as the holder of the stock or other securities theretofore deposited in escrow, and shall deliver the same to the institution which shall have executed the mortgage release or deed, as the case may be.

(e) A reasonable fee for the escrow service and in connection with the procuring of the options shall be paid by the applicant. Such fees charged on a reasonable basis may be advanced by the corporation as a part of the incidental costs of the loan.

(f) In all such cases the local officer of this corporation should urge the applicant to obtain options to purchase the institution's stock with bonds rather than with cash; however, in cases where such options cannot be obtained by the use of bonds they may be procured on a cash basis; provided, of course, the application is eligible and approved for a cash loan under the usual rules.

In all cases handled under this resolution, the corporation's local officer should see to it that the applicant gets the advantage of the reduced price of the institution's stock as a reduction of his mortgage indebtedness where possible, and that speculators shall not benefit unreasonably by this plan.

4. Nothing in this resolution shall be understood as waiving to any extent the requirements of the corporation as to eligibility or value of the loan in question.

5. Copy of this resolution shall be placed in loan files closed hereunder.

I hereby certify that the above and foregoing resolution is a true and correct copy of a resolution passed by the board of directors of the Home Owners' Loan Corporation at a regular meeting of the board on the 9th day of April 1934, at which a quorum was present.

R. L. NAGLE,
Acting Secretary.

NEW ORLEANS HOMESTEAD
CLEARING HOUSE ASSOCIATION,
New Orleans, La., March 28, 1934.

Mr. PAUL B. HABANS,
*State Manager, Louisiana Agency, Home Owners'
Loan Corporation, New Orleans, La.*

DEAR MR. HABANS: Acknowledgment is hereby made of your letter of March 26 enclosing copy of bulletin no. 76 of the Home Owners' Loan Corporation, dated March 16, 1934, dealing with the subject, "Profiteering in Home Owners' Loan Corporation Mortgages."

Your letter was submitted to the executive committee of our association as of this day, and I was instructed to write and inform you in the following respects:

In regard to speculators buying mortgages of homestead associations and through the aid of the mortgagor securing Home Owners' Loan Corporation loans at the original amount and reaping the benefit of any difference, I wish to advise that no associations in this city are a party to any such proceedings. In fact, I believe that it would be illegal for a homestead association to sell a mortgage note, as the wording of such note makes it practically impossible to use it as a negotiable instrument, as such notes are usually payable at the office of such associations.

In regard to a speculator purchasing a foreclosed property at a discount, either for cash or through the medium of the application of building and loan certificates, and through the aid of the mortgagor securing a Home Owners' Loan Corporation loan at the original amount and reaping any difference thereon, I wish to advise that we have heard of a few isolated cases of this particular practice; however, that was several months ago when the Home Owners' Loan Corporation bonds were selling in the low 80's and when the operations and benefits of the Home Owners' Loan Corporation, through no fault of theirs, however, were not fully understood by the executives in charge of the various homestead associations. In practically all cases it has been customary for the homestead association in recent months to write direct people who have lost their homes by reason of foreclosure or repossession and endeavor to persuade them to regain the possession of such property by loan with the Home Owners' Loan Corporation. Our State bank examiner and this association as well, has repeatedly urged that all homestead associations do this, and I believed, as a universal practice, that it

has been done. Of course, you understand that in some cases former home owners are not so eager to regain their homes, due to unfavorable assessments, lack of steady earning power, and the fact that the responsibilities of home ownership are sometimes onerous. There are but few cases of this kind, however; but where they do exist and some real-estate agent persuades such party to redeem his property through Home Owners' Loan Corporation without the knowledge of the homestead association, then an opportunity does exist for such party to gain an advantage. However, as I see it, the homestead association is the one that loses in the transaction and no one else.

If you can assist us in preventing any such cases being perpetrated upon any homestead association in this city, I wish to assure you that it will be appreciated very much.

There is a practice resorted to by various homestead associations, however, which we would be glad to secure your advice on, and that is that certain associations, in an effort to avert losses on Home Owners' Loan Corporation mortgages, have made arrangements whereby building and loan stock is applied plus any remaining cash or bonds of the loans proceeds of the Home Owners' Loan Corporation, both of which, however, does not exceed the amount that the applicant owed to the homestead association on his loan. No profit results from such transactions, and this method is only resorted to to avert losses; or I should say in, most cases, partially avert such losses.

I have knowledge of one association that has loans approved by the Home Owners' Loan Corporation in amount of \$400,000 to various applicants on which such applicants are indebted to such homestead association for \$600,000, and a loss of \$200,000 would result if the stock of that association were not used in full or in part to offset such losses.

This practice benefits the applicant of the Home Owners' Loan Corporation, for approximately 50 percent of the loans that are being consummated result in losses of 20 percent to 60 percent to homestead associations, and the applicant has all the benefits of having his mortgage scaled down to present-day values of real estate at the expense of the homestead associations.

If any ruling is made that will stop this practice, it will result in a large number of loans not being consummated by the Home Owners' Loan Corporation, and the applicant will not secure the benefit of regaining or retaining the possession and ownership of his home.

Assuring you of our desire to cooperate with you, and fully recognizing the many benefits to this community that are being made possible by the operations of the Home Owners' Loan Corporation, I am,

Respectfully yours,

CURTIS F. SCOTT, *President.*

HOME OWNERS' LOAN CORPORATION,
Washington, February 16, 1934.

Mr. EDWARD SHOWALTER,
Home Owners' Loan Corporation, New Orleans, La.

DEAR MR. SHOWALTER: I understand from you that you have applications for the recovery of homes where the home is now in the possession of members of homestead associations, who secured the same from the homestead by exchange of the homestead stock at face value and in some cases some payment of additional in cash. In some of these cases the person who so secured the home from the homestead bought the stock in the first instance from the homestead, paying par value therefor; in other cases the person who secured the home from the homestead bought the stock in the market at less than par.

Your question is whether or not it is proper for the Corporation to recover such homes for such applicants up to the amount not exceeding the proper percentage of the appraisal that the holder of the home has invested therein in cash or stock at par value.

It is my opinion that it is proper to recover such homes on this basis.

Very truly yours,

HORACE RUSSELL, *General Counsel.*

Mr. HABANS. I am going to file both of them.

Senator LONG. Mr. Chairman, I do not know how much longer this witness is going to take up. He has taken up an hour and a half, or about an hour and fifteen minutes. When did he start?

Mr. HABANS. I started at 11:30.

The CHAIRMAN. How much longer do you need, Mr. Habans?

Mr. HABANS. I am ready to start cross-examination immediately.

The CHAIRMAN. Make your statement complete. I was in hope that you can finish this hearing today.

Mr. HABANS. I think to facilitate the committee—I had just one more document that I wanted to read. I referred to a letter from the Homestead Clearing House, and I have the copy of it here. The original was sent to Washington. The substance of it is this: That the profiteering had probably been reduced to a minimum, that stock transactions were operating for the benefit of the building and loan association in this way, that because of the conservative or low appraisals which we made in the corporation in comparison with what the homesteads had previously made, it would be impossible for them to clear out without tremendous losses, which they could not take at this time, the loans which were pending; and one of the paragraphs in that letter is this:

I have knowledge of one association that has loans approved by the Home Owners' Loan Corporation in the amount of \$400,000 to various applicants on which such applicants are indebted to such homestead association for \$600,000 and a loss of \$200,000 would result if the stock of that association were not used in full or in part to offset such losses.

He further states that most of the homesteads, or nearly all of them, were handling their transactions by paying a commission to an agent of 4 or 5 percent, who would go out and assemble the stock and attend to the sale of the bonds with which to reduce the cash for the purpose of buying their stock. That original was sent as a report to Washington of the statement of the homesteads as to what was going on in the way of profiteering.

Senator HASTINGS. Whose letter was this?

Mr. HABANS. That was the building and loan association's letter, the clearing house of the city of New Orleans.

Senator HASTINGS. Is that the letter from which you were reading?

Mr. HABANS. Yes, sir.

The CHAIRMAN. Is there anything else now?

Mr. HABANS. I think I have about covered it.

The CHAIRMAN. Any questions?

Senator BARKLEY. I would like to ask Mr. Habans to what extent the Home Owners' Loan Corporation has made loans involving property in which Mr. Moore or Mr. Sullivan has any interest.

Mr. HABANS. Personal interest?

Senator BARKLEY. Yes.

Mr. HABANS. None that I know of. None.

Senator BARKLEY. To what extent has the Home Owners' Loan Corporation dealt with the Hibernia Homestead, which has been mentioned here?

Mr. HABANS. I would not be able to say positively, but I think that they began very, very late to even consider handling loans with our corporation. As I understood it yesterday, there were some four or five loans consummated. I do not know the names of the applicants or even the individuals connected with it.

Senator BARKLEY. Has there been any different procedure with reference to that company than any other?

Mr. HABANS. None. Everybody has been handled along the same basis.

Senator BARKLEY. That is all for the present.

Senator HASTINGS. Have there been any instances in your jurisdiction where you knew anything about the profit that was being made by some third person?

Mr. HABANS. I have never known positively, but I have heard the same suspicions and suggestions reiterated regarding the matter, and that was the reason for my sending the State counsel to Washington to find out just what they would suggest on that subject, about handling those stock transactions, and whether or not we should proceed along the line that we were going, because we thought that we would be unable to save a great many homes which were being saved, and a number of those applicants were having reductions in their mortgages as a result of the low appraisals and the stock transactions. Yes; I think the corporation knew that all the time that—of suspicions that people were making profits out of it. That was outside of the corporation.

Senator HASTINGS. Wasn't that a thing you could control?

Mr. HABANS. No, sir. Not if we were going to make those loans. They would not make the loans unless they were permitted to use stock, and they placed those properties in third hands, and the third party was the one who took the bonds. After we issued the bonds we knew nothing of what occurred.

Senator HASTINGS. Are you a lawyer by profession?

Mr. HABANS. Yes, sir.

Senator HASTINGS. Wasn't it a comparatively simple matter, if you knew that a person whose home had to be recovered for them, to easily show that home owner how it was possible to get that home back at the least possible cost to them? For instance, would it not be possible to point out to them how they could go about it and get this stock?

Mr. HABANS. We have never dealt with the matter of stock ourselves. We felt—

Senator HASTINGS (interposing). I understand that. But there was no objection to your telling the home owner just how to do it, was there?

Mr. HABANS. In many instances we did tell them that they would have to make stock transactions out of it, because of the low appraisals. We could not see how we could help them at all unless this mortgagee consented to take bonds to the amount very much less than what was available on the basis of our appraisals.

Senator HASTINGS. Did you explain to them that they could do that without cost to themselves?

Mr. HABANS. I think we went into every phase of it with them. I do not think there is any question but that every applicant with whom we came in contact we did everything for that was possible to enable them to refinance. But we were tied up in the beginning with a great number of mortgages where the building and loan and homesteads had declined emphatically to take anything. We were crowded up with applications on which we could not do anything because they were declining.

Then these people began to file their mortgagees' consents, and when the mortgagees' consents were filed, appraisals were made which

show in most instances loans, possibly, but very much less than the amount of the mortgage.

Senator HASTINGS. Let me inquire whether you were interested in getting out as much money as you could, or whether you were only interested in saving the homes that ought to be saved.

Mr. HABANS. We were interested in saving as many homes as we could. There was a great pressure from Washington to go ahead and close loans to save homes that were eligible, and we had a great many distressed people who were applying and whom we could do nothing for because the mortgagees were declining to accept the bonds of the corporation.

Senator HASTINGS. Was there great stress from Washington to get out as much money as possible?

Mr. HABANS. Well, the stress was the equivalent of that, to close as many loans of the applicants as could be closed; and a great many letters were being written to Washington by the applicants, who were unable to get any results whatever, because the mortgagee was declining to accept our bonds. Numerous letters were written to the President as the result of the President's address over the radio suggesting that anybody who was in distress and who might be apt to lose his home as the result of foreclosure or threatened foreclosure should write to him, and numerous letters came through that way from various parts of the State and cities, that were sent to Washington and then sent back to us. We would have to make individual reports on them and state what was going on.

Senator HASTINGS. That is all.

Senator BARKLEY. Did you or your office at any time ever participate in the selection of the third parties who were to act as intermediaries between the home owner and the homestead?

Mr. HABANS. Never.

Senator BARKLEY. Did you ever suggest to any home owner whom he might obtain as a third party to handle this transaction?

Mr. HABANS. Never.

Senator BARKLEY. To what extent did you know who the third parties were?

Mr. HABANS. Well, in some instances it was rather generally known that these board of directors of the homestead have appointed some of these agents to handle their transactions for them. That was on the theory that they were receiving appraisals which were low, and unless they used stock, the stock transaction was the only way that could help them out to balance their books.

Senator BARKLEY. The selection of a third party which you say was necessary under this 1932 act, then, was a matter of agreement between the home owner and the homestead?

Mr. HABANS. Not the home owner. The home owner had nothing to do with that.

Senator BARKLEY. He had nothing to do with it.

Mr. HABANS. The holder of the mortgage did all of that, and it was done outside of the corporation entirely. The only condition that we imposed was that it must be put back in the name of the owner, and the mortgage must be valid.

Senator BARKLEY. Of course, there had to be some agreement in the transaction between the third party selected by the homestead and the owner of the home?

Mr. HABANS. No, sir.

Senator BARKLEY. Why not?

Mr. HABANS. As I see the operation, the owner did not have anything to do with it except to transfer his property back to the homestead by what they call a dation. The French law is what we call the giving in payment, the dation en payment, meaning payment.

Senator BARKLEY. Surrendering the property?

Mr. HABANS. Surrendering the property. Then the homestead transferred the property from stock to some third person selected by them, and I presume they would select their own agent for that.

Senator BARKLEY. Were these agents selected after the home is surrendered to the homestead, or before?

Mr. HABANS. I don't know. I cannot answer that.

Senator BARKLEY. Do you know of any cases where there had not been a default in payment—where there had been no surrender—in which there were these third parties selected?

Mr. HABANS. I cannot answer the detail of that, Senator, with respect to any particular case. We would have to look at the record and find that out.

Senator HASTINGS. What I do not understand is why you did not do just exactly what this resolution you read in suggests that you do after this. I do not see why that did not occur to anybody who was administering this law, that that was the safe thing to do to prevent home owners or somebody from being beaten out of some money.

Mr. HABANS. I do not consider, Senator, that the home owner has lost a dollar.

Senator HASTINGS. Somebody has lost money if somebody else has gained some.

Mr. HABANS. It is the stockholder or the building and loan association who has lost anything that was lost. The home owner as we construed it has not lost anything at all. Every loan was made either for the amount of the obligation or less, and that was the thing that was the policy of the corporation, that as long as we did not lend any more than the obligation, and more particularly as the borrower was getting the benefit of a reduced mortgage, that we could go ahead and close such cases as were possible to close to save those homes.

Senator HASTINGS. It certainly must be the policy of the Government to use as little money as possible or make what money is available, go as far as possible.

Mr. HABANS. Yes.

Senator HASTINGS. And when you let somebody chisel some on the side, it is impossible for that money to go as far as it otherwise would go. It seems to me that might have occurred to somebody that was administering this law, and one of the things that they ought to have guarded against.

Mr. HABANS. There was no way, Senator, of our guessing to know, or knowing just the amounts that were made out of these things.

Senator HASTINGS. All right.

Senator BARKLEY. In other words, if some third party who had no interest in the home or no interest in the building and loan association, if there were any such cases, went out and bought stock at 50 cents on the dollar and then obtained the surrender of the property from the home owner or had the mortgage transferred to him by the building and loan association and then turned that stock in at par

value in cancelation of the debt, it is entirely possible that that third party made nothing out of it, although the owner of the stock had sold it at half price?

Mr. HABANS. Yes, sir; that is entirely possible.

Senator BARKLEY. The home owner would get his new mortgage for the amount of the refinancing representing the old debt; the third party might have been acting as the agent of the building and loan association to carry out the transaction; the building and loan association may not have made any actual gain in money, although the man who sold the stock at half price lost; is that true?

Mr. HABANS. Yes, sir.

Senator BARKLEY. Is that true?

Mr. HABANS. That is true in some cases.

Senator BARKLEY. It is quite a complicated situation.

Mr. HABANS. It is a very complicated situation, but I want to emphasize in there that everything that was done of that character was done outside of the Home Owners' Loan Corporation, and with that we had no connection whatever.

Senator BARKLEY. I suggest that the side remarks made to the audience in order to get a laugh out of it, interfere with the proper prosecution of these questions, and I object to it.

The CHAIRMAN. I hope there will be quiet in the room, and that side remarks will not be made. Are there any other questions?

Senator LONG. Yes, sir. As I understand it, Mr. Habans, this matter is rather complicated, but in its analysis it is very simple for the man who takes a bond selling on the market for 60 cents and gets the bond of the H.O.L.C. that is selling for 99 cents. That is rather simple, isn't it, and in the end that is all that this is, isn't it?

Mr. HABANS. I don't know, Senator. I don't know what you have in mind.

Senator LONG. I will state it again, because you are a lawyer and an intelligent witness. As I understand the matter, you are confused in the complications, as I understand it.

Mr. HABANS. No; I am not confused.

Senator LONG. In order that I may help to unravel you in such confusion in this business which for sometime you have handled so competently, I am sure that you will agree with me that in the end the only thing that is done is that for the man that gets this building and loan stock in this way, is that he will exchange the building and loan stock, advertised on the market at 60 cents on the dollar, or 50 cents, and come away with an equivalent or something like an equal amount of H.O.L.C. stock, which is sold at 98 cents as the result of the transaction which is concluded?

Mr. HABANS. No; I do not agree with that.

Senator LONG. So far as he is concerned, there is a number of papers signed, but what really happens is that the man with the 60-cent stock comes away with the 98 stock of the Government.

Mr. HABANS. No, Senator; I think you are wrong in your presentation. With all fairness of spirit.

Senator LONG. Don't make a statement.

Mr. HABANS. Let me give you just where you are wrong. I think you are wrong in assuming that there is an equal volume of dollar for dollar of face value of stock exchange for Home Owners' Loan Corporation bonds. As is contained in the letter of the Homestead

Clearing House which I read you here, in numerous cases, I say by far the majority of cases, the appraisals which were made by our corporation did not justify our paying out the mortgagees dollar for dollar—

Senator LONG (interrupting). Just a moment.

The CHAIRMAN. Let him answer.

Senator HASTINGS. Let him finish his answer.

Mr. HABANS. And at the same time paying the taxes which were delinquent, the paving charges, interest, and other penalties, so that there is not that balance that the Senator tries to suggest there. I mean that kindly—that there is not that dollar-for-dollar face value of stock and mortgages.

Senator LONG. Let me put it this way. It is the matter of arithmetic merely. Let us say that the mortgage is \$10,000, and let us say that your appraisal is only \$8,000. You have it right there on the blackboard, that the stock which they exchanged at par was not worth over \$5,000 or \$6,000. It is right on the blackboard, and you know all about it, don't you?

Mr. HABANS. No, sir.

Senator LONG. Aren't those things even published on the stock exchange? I hand you this paper and ask you.

Senator HASTINGS. May I interrupt a moment before you leave this particular question, in order that I may understand what the witness means? If the mortgage which the building and loan had for instance was \$6,000 and the stock was selling at 60, it would be necessary for him to go and get 60 shares at \$100 in order to redeem that \$6,000 mortgage. He would have to get 60 shares of stock at a hundred; isn't that correct?

Mr. HABANS. Yes, sir.

Senator HASTINGS. If it were selling at 60, that would cost him \$3,600. I gather from what you say that in many instances the Home Loan Corporation if it refused to loan more than \$3,600 on the property, then there could not possibly be any profit at all.

Mr. HABANS. There would not be at all.

Senator HASTINGS. That is your point.

Mr. HABANS. That is the point I am trying to make. And then further, you understand—it has been told to me and I cannot verify this by any writing—that in many instances of these transactions, other people than the borrower who had stock in the association which they had bought and paid for at 100 on the dollar, was given the opportunity to use their stock in the transaction and to get such benefits as might come out of the increased sale, without any profit to themselves, except profit maybe over and above what might have been quoted on the market as the price.

Senator LONG. In other words, there would be a little favoritism granted, as I understand it.

Mr. HABANS. I don't know, Senator, whether you would construe that as favoritism, but I have been told that there were many people holding stock, and you know that is a matter that we had nothing to do with.

Senator LONG. I don't know that. I want to show that you know all about it. Please look at that paper. The part with the red ring around it. You were, Mr. Habans, in the building and loan business yourself, weren't you?

Mr. HABANS. Well, I was a member of a board.

Senator LONG. President of one.

Mr. HABANS. No, sir.

Senator LONG. What were you? Chairman of the board?

Mr. HABANS. No. Just a member of the board.

Senator LONG. Member of the board of directors? You were in the Homestead business?

Mr. HABANS. No; I was not in the Homestead business.

Senator LONG. Being a member of the board did not put you in the business?

Mr. HABANS. No, sir; that is not regarded as being in the Homestead business. I merely served the institution in that way.

Senator LONG. You served the Homestead, which did not mean the Homestead business.

Mr. HABANS. There was a once-a-month meeting of the board of directors, and I would consider that in that way I was in the Homestead business—

Senator LONG (interrupting). Then we are together. You are a lawyer?

Mr. HABANS. Yes, sir.

Senator LONG. You read the papers?

Mr. HABANS. Yes, sir.

Senator LONG. Look at that paper and see if they were not quoted, if they were not quoting that stock all over the stock exchange at 40 and 50 cents all during the time that you were carrying on these transactions.

Mr. HABANS. Do you want what was enclosed within the circle?

Senator LONG. Let me have that. I will read it to you.

(The witness returns the paper to Senator Long.)

Mr. HABANS. You made a mistake, I am sure, in the circle.

Senator LONG. I did. It is just below that. And I underlined it in black. "Homestead stocks, Acme Homestead, 44; Columbia Building and Loan Association, 45; American Homestead, 50; Eureka, 50; Fidelity Homestead, 37½; Jackson, Mohawk, Mutual Building and Homestead, Phoenix, 30; Reliance, 26"—all along the line. You see even the time quoted in the paper, don't you?

Mr. HABANS. Yes, sir.

Mr. SULLIVAN. What is the date of that?

Senator LONG. April 5, 1934. If you want the paper you can have it, or you can hand it back to me.

Mr. HABANS. I don't want it.

Senator LONG. Now, Mr. Habans, you are a lawyer. I understood you to say a minute ago that there was no way by which you could know the profit that was being made on those transactions; is that correct?

Mr. HABANS. Yes, sir. With the facilities that I had, there was no way to know the amount of the profit that was made on those transactions.

Senator LONG. It was all being handled at the one sitting, wasn't it?

Mr. HABANS. No. I think that your picture is wrong on that, Senator. The application is received perhaps a month or maybe two or three months prior to the consummation of the loan. It is being handled by the mortgagee with the thought, I am sure, of getting out of it whole.

Senator HASTINGS. Is the application for the mortgagee?

Mr. HABANS. No. The application is by the applicant, and when the application comes in from the applicant, of course, it necessarily—
Senator HASTINGS (interrupting). That is the original owner? The mortgagor?

Mr. HABANS. The mortgagor. The original owner. When the application is received, he merely states in the application in the form required by the Government, the name of his mortgage holder. A preliminary appraisal is made of the property—before, I mean a preliminary appraisal as contradistinguished from a fee appraisal. A fee appraisal is the last and final appraisal; and the preliminary appraisal figures are analyzed in the office, and the mortgagee is then advised what amount is available to pay off the mortgage. Of course, in the meantime the office has had a lot to do with the matter of finding out the amount of paving charges due, the amount of delinquent taxes, and other penalties that might be resting upon the property. Sometimes a preliminary appraisal can come in showing that \$4,000 could be paid out to the mortgagor to release this home. Then when the amount of the other charges or liens resting against the property are ascertained, we find out that may be \$1,000 more has to be taken off of that, and all of that is suffered as a loss by the mortgagee, because those other lines must be paid simultaneously with the mortgage, and whatever is left, in the language of the street, is what the mortgage holder gets.

At the present time there is a rule in force which has upset the mortgage holders very, very considerably in our city. There is a new requirement under instructions of the Government for the last 3 or 4 weeks that wherever paving is assessed against the property and the paving liens rest there, and all of those paving charges are payable in installments over a period of 10 years—now, that pavement may have been put down some 2 or 3 years ago or 4 years ago. Maybe only four installments are paid. Under the ruling from Washington, every installment must be paid and the paving charge wiped out completely before the mortgage holder gets a satisfaction of his mortgage.

Senator LONG. Now, Mr. Habans, since you have made a speech, I will ask the question again. I will ask you not to make a speech if you can possibly keep from making it, on the next two or three questions, so that I can have the attention of the committee.

Senator HASTINGS. I do not think the witness ought to be lectured by the Senator from Louisiana.

Senator LONG. I beg your pardon.

The CHAIRMAN. The Senator withdraws that.

Senator LONG. I am trying to get the question answered, and I cannot get it answered. Mr. Habans, you have right in front of you, you or whoever is doing the work for you, the amount of the appraisal that you advise the man that you could lend him on the property. That is right in front of you, and you make it out yourself.

Mr. HABANS. That is made out as part of the detail.

Senator LONG. That is in front of you?

Mr. HABANS. Yes, sir.

Senator LONG. Using \$10,000 just as an illustrative figure, you have that right in front of you?

Mr. HABANS. That is in our files.

Senator LONG. Would there be any trouble at all to find out all of these other items? All you have to do is to add them up.

Mr. HABANS. Yes.

Senator LONG. And all that you have to do to find out what the building and loan stock is selling on the market for is to just do a little arithmetic?

Mr. HABANS. You would have to look at the newspaper and look at what the quotation is, but as I understand, that is not a guaranty of what the sales are. It gives you a reasonable view of it.

Senator LONG. It gives you a reasonable view of it?

Mr. HABANS. Yes.

Senator LONG. So all you would have to do is to add those items and find out just exactly what the home owner was getting?

Mr. HABANS. Yes.

Senator LONG. All you would have to do is to subtract how much he is getting from what you are giving out to find out what profit there is in it?

Mr. HABANS. No; I do not agree with you. I am going to explain it this way. Senator, I want you to get this, because this is very important. In about February of this year the Government in its effort to minimize the amount of time necessary to handle the numerous applications which were eligible, or rather to secure such applications as could be filed with the Corporation, created a wholesale department, and that wholesale department is operated under the supervision of the Washington office here with a unit set up in every State, and that unit in every State is headed by a man from Washington. I am trying to make this just as brief as I can so that you can get a picture of it. That department primarily deals with institutional loans, banks, and building and loan associations, so with that department created they go out into the files of these associations and find out the eligible distress loans and secure their applications. That part of it is handled by the wholesale department in the matter of receiving applications, and in the matter of the first appraisals made on the applications which are sent to it.

The CHAIRMAN. Don't they have conferences with you with reference to that?

Mr. HABANS. They have conferences, yes, whenever required, but it is generally operated as a wholesale department as distinguished from the resale department as originally set up.

Senator LONG. Now, I will ask my question again. The question that I asked you was this: Since you have admitted that you have in front of you the amount of stock and its market value, and since you admit that you have in front of you the other items that have to be paid such as taxes and paving costs and so forth, and since you have admitted that by adding these items that you know exactly how much is to be paid out, and since you have admitted that your appraisal shows exactly how much the Government is going to let them have, then I will ask you if it is not a fact that all that you have to do is to subtract what you are going to let them have from what you are going to have to pay off to see what profit there is in the transaction?

Mr. HABANS. Well, the hypothesis of your question, of course, the answer is yes.

Senator LONG. If my hypothesis is not right, just tell me why it is not right.

Mr. HABANS. I don't know in what element of the hypothesis it would be right or wrong. In fact, it would be rather difficult to say that every element of your hypothesis is right, because each case would have to be taken up and analyzed that way.

Senator LONG. The record will show that you have previously testified that those items are correct, and if they are not correct, I will give you a chance now to correct them.

Mr. HABANS. I have no correction to make.

Senator LONG. All right. Do you mean to say that the Government has approved this, this office here in Washington?

Mr. HABANS. You will have to qualify what you mean, Senator.

Senator LONG. Has approved of what you are doing down there?

Mr. HABANS. The Government has approved of the manner of our making loans where the stock transaction was used.

Senator LONG. Has the Government approved, knowing that this stock was being handled in such a way that there were these big profits made such as contained on this sheet, or anything similar to it?

Mr. HABANS. The Government did not have that before them, the figures that are shown on your sheet, nor have I seen those, nor do I know what those figures are or where they have been gotten from, except perhaps one column. Your State bank examiner came to me and asked me in regard to a number of loans, whether or not I would give him the information as to the total amount that was paid to the mortgagee, which I did in certain loans that were closed, but further than that I do not know the figures that are there, nor do I know the source of that information.

Senator LONG. Who is your chief appraiser there?

Mr. HABANS. My chief appraiser there is Leon Burgess.

Senator LONG. Where did he come to you from?

Mr. HABANS. Senator, may I have a drink of water?

Senator LONG. Yes; and I will have a glass of that water, too.

Mr. HABANS. It is contagious. Shall I go on?

The CHAIRMAN. Yes.

Mr. HABANS. The chief appraiser is Leon Burgess. He is from New Orleans, and he was recommended by me to Washington after a survey of the field of applicants as being perhaps the most qualified man that I could have at that time.

Senator LONG. Where was he employed at the time and what was his business?

Mr. HABANS. My understanding is that Mr. Leon Burgess has been in the real-estate business for quite a number of years.

Senator LONG. Why don't you tell us that he was connected with the Hibernia Building and Loan Association?

Mr. HABANS. Because being connected with the Hibernia Building and Loan Corporation is perhaps incidental to what his occupation was. I have known him in the real-estate business.

Senator LONG. You also knew him in the Hibernia Building and Loan?

Mr. HABANS. I do know that he has been connected with the Hibernia Homestead.

Senator LONG. And that is Mr. Sullivan's concern, generally known?

Mr. HABANS. I don't know that.

Senator LONG. You did not know that?

Mr. HABANS. I knew that he was connected with it.

Senator LONG. Didn't you also, Mr. Habans, not know that Mr. Sullivan was the chief man in the Hibernia Homestead?

Mr. HABANS. I knew that Mr. Frank Sullivan was the president, but nobody owns a homestead, Senator, and you know that. It is a stock institution.

Senator LONG. And you knew that Mr. John Sullivan was an officer and attorney there?

Mr. HABANS. I knew that Mr. John P. Sullivan's office was the attorney for the Hibernia Homestead.

Senator LONG. And so, needing an appraiser, you got Mr. Burgess coming out of Mr. Sullivan's concern?

Mr. HABANS. Well, I did not arrive at it in just the way that you are placing it, but Mr. Burgess was selected and recommended by me.

Senator LONG. Of course, you naturally needed a lawyer.

Mr. HABANS. Yes, sir.

Senator LONG. Whom did you select as your chief counsel?

Mr. HABANS. Well, that is rather interesting, and I think that you——

Senator LONG (interposing). The question is, whom did you select?

Mr. HABANS. I selected Mr. Fred Zengle as my chief counsel, and I think that Mr. Fred Zengle is probably one of the most widely known——

Senator LONG (interposing). Is he still your chief counsel?

Mr. HABANS. No.

Senator LONG. Who is your chief counsel now?

Mr. HABANS. Now, Senator, please let me answer the question as you have asked me.

Senator LONG. I asked you who was the chief counsel.

Mr. HABANS. I am telling you.

The CHAIRMAN. Go ahead.

Mr. HABANS. I am telling you why I selected him. I selected Mr. Fred Zengle as my chief counsel and recommended him to Washington. He is probably the most widely known attorney in the State of Louisiana in connection with title matters and building and loan problems, and he was uniformly recognized as one of the most competent men that could be put in the office of State counsel. Mr. Zengle found the work too arduous, and on December 1 he resigned his position of State counsel. He subsequently ran for office on the municipal ticket in January, but that had nothing to do with his membership on my staff as chief counsel for the State.

The CHAIRMAN. Then whom did you select?

Mr. HABANS. Then I recommended the man who was the assistant State counsel, for chief counsel, Mr. Edward R. Showalter, a man who in that time that he was assistant State counsel showed so much aggressiveness and willingness and capacity that I found that he would be competent to fill the office, and I recommended him to Washington.

Senator HASTINGS. Is he on a salary?

Mr. HABANS. Yes, sir.

Senator HASTINGS. What was the salary?

Mr. HABANS. The salary was originally \$3,600 and subsequently it was raised to \$4,200.

Senator LONG. You selected Mr. Showalter?

Mr. HABANS. Yes, sir.

Senator LONG. You selected Mr. Burgess of the Hibernia as chief appraiser. Then you selected Mr. Showalter after the man that you have stated as chief counsel. Mr. Showalter was, as I understand it, a nephew of Mr. Edward Rightor, Mr. Sullivan's co-dispenser, and attorney in his instance?

Mr. HABANS. No; that had nothing to do with it, Senator.

Senator LONG. I just asked you if that is true.

Mr. HABANS. I am telling you it is not true, because my reasons for selecting Mr. Showalter are as stated to the committee here, and Mr. Showalter was a man in whom I had absolute confidence. He was a schoolmate of mine in law school. We studied law together and I recommended him without a suggestion from anybody, and very much to his surprise. I called him in and asked him if he would accept the promotion if I tendered it to him, and he said yes, and I recommended him for the office of State counsel.

Senator LONG. I asked you if it was a fact that he was a nephew of Mr. Rightor?

Mr. HABANS. Yes.

Senator LONG. That is what I asked you. Thank you. Did you employ another lawyer by the name of Chester Ford?

Mr. HABANS. Yes, sir.

Senator LONG. Where did he come from?

Mr. HABANS. Mr. Chester Ford was employed by me at the time that Mr. Zengle was chief counsel or State counsel for the corporation, and it was because of the excessive amount of work that Mr. Zengle was having to do in reading over the title reports which came into the office for approval. Our title reports are made by a title-insurance company, the Lawyers Title Insurance Co. I felt that since the corporation—the insurance could be had at the same price that we would have to pay lawyers outside to examine them, and I thought the safest thing for the corporation to do would be to use the title insurance, and I secured the approval of the board in Washington to have title insurance, and when those reports came in, it was under Mr. Zengle, and to relieve him, that this man was paid \$125 a month to go there and read those reports, usually such reports required cumulative work—some did and some did not—and to refer them to the notaries for closing where no cumulative work was required.

Senator LONG. I will ask you the question again. Where did Mr. Chester Ford come from?

Mr. HABANS. Mr. Chester Ford came to me—his office was with Mr. John P. Sullivan. I understand he was employed by Mr. Sullivan or made his office there, but he had a reputation for being a very good title man and had done a lot of it throughout the city.

Senator LONG. Did you employ a man by the name of Hayman?

Mr. HABANS. I employed a man by the name of Hayman.

Senator LONG. Where did he come from?

Mr. HABANS. I cannot at the present tell you where Mr. Hayman came from. He was recommended by a group consisting of Mr. Sullivan and Mr. Rightor.

Senator LONG. Don't you know that he came first from Mr. Sullivan's race track, and then to the Internal Revenue office, and then transferred over to you?

Mr. HABANS. No, I did not know that, Senator, but I have learned since his name has been suggested that he previously worked under Mr. Merrigan in the internal-revenue office.

Senator LONG. Didn't you learn that he worked under Mr. Moore?

Mr. HABANS. I did not learn that. In fact, I do not have the facts of his previous employment before me.

Senator HASTINGS. What is his business?

Mr. HABANS. Mr. Hayman occupies a very, very minor position.

Senator HASTINGS. What is it?

Mr. HABANS. In the clerical force; and he had a manner that was pleasing, and there were so many distressed persons coming in that I put him out at the door to receive people coming in and to direct them around to the various places.

Senator HASTINGS. How much of a force do you have?

Mr. HABANS. The force in Louisiana exceeds 200. The force in New Orleans probably exceeds 150. The force in Louisiana probably exceeds 350 to 400 people, I should say.

Senator LONG. As I understand it, Mr. Ford was your chief title abstractor?

Mr. HABANS. No, sir.

Senator LONG. He worked on titles.

Mr. HABANS. He worked on titles at a salary of \$125 a month. He did not examine titles for us. He merely examined the reports made by the Title Insurance Co. to ascertain whether or not there were any things that needs to be done before the loans were closed, and he was very competent at that, too. I might say this for your benefit, Senator, that the young man worked for a while at \$125 a month, and then when additional counsel were put in the office, he was raised to \$150 a month, and he severed his connection with us entirely on the 15th of March because he found it more profitable as a notary public to pass acts for the corporation, where the mortgage is granted to the Home Owners' Loan Corporation.

Senator LONG. He found it more profitable to pass acts in making these loans than he did in the job?

Mr. HABANS. It permitted him to give more time to private business outside, if he passed acts closing the loans.

Senator HASTINGS. Just what do you mean by that?

Mr. HABANS. You do not have the notarial system, Senator, anywhere in the United States like we have in New Orleans. The matter of passing an act granting a loan is a very formal act and the notary publics in New Orleans are keepers of the original records. In other words, the document which is the act for this corporation is a nine-page affair containing all of the provisions required by the Government, and it is signed by the person granting the mortgage, in the presence of a witness, and the notary public signs at the bottom. As notary public he files the act for the record in the conveyance or mortgage office, where only a mortgage is being granted. He keeps the original and provides the Government with a certified copy. Under the laws of the State, the notary public is the keeper of the original record.

Senator HASTINGS. What fee does he get?

Mr. HABANS. The fee paid is \$15. The fee paid in Louisiana by the Home Owners' Loan Corporation for a similar act is about one half of what is paid to notaries for the same transactions outside.

Senator LONG. Now, Mr. Ford went back to his office with Colonel Sullivan, as I understand?

Mr. HABANS. I don't know, Senator. I have no knowledge of that.

Senator LONG. I want to ask you now, since you have answered that he could make more money as a notary, out of the notary work passing these titles or these transactions through the Home Owners' as you have testified, I want to ask you what assurance Mr. Ford had that he was going to get this notary work when there were hundreds of notaries in the city?

Mr. HABANS. He had assurance that came out of the knowledge on my part that he knew what was going on. There were 700 notaries in the city, as I understand it, but not all of them gets acts to pass. I suppose we are using in the neighborhood of about a hundred. Probably less.

Senator LONG. As I understand it, he knew from you that he was going to get certain notarial work?

Mr. HABANS. He requested certain notarial work and I authorized the counsel to assign him certain acts to pass.

Senator LONG. Now, Mr. Habans, do you know why on yesterday following Colonel Sullivan's testimony, a telegram was sent by the bank examiner who is now here in Washington asking to investigate the Home Owners' Loan Corporation to find out the information concerning the transactions and the interposed parties and the profits made, that your office in New Orleans should have refused the information to the banking department?

Mr. HABANS. Yes, sir; I can answer that.

Senator LONG. Why?

Mr. HABANS. I am going to explain that to you. Immediately after the proclamation on Easter Monday, which I saw, that the banking department had ordered the homestead to discontinue stock transactions, I think it was on Monday or Tuesday following, Mr. Schenberg who testified in this case, come to me personally and asked for information concerning certain loans, about whether or not we had loaned certain amounts or rather the amounts of the loans. I took him upstairs to the accounting department and I gave him that information from each one of the loans which we had, showing the exact amount that we had paid out to the mortgagee in those cases. The manual of the corporation states very specifically that no information may be given out regarding closed loans except by authorization of the office in Washington. Subsequent to that I had Mr. Showalter phone to Waxhington long distance on the same day to state the conditions which had developed there with respect to the order of the banking department and to ask what their policy would be in the matter of giving that information. The legal department told Mr. Showalter that we should withhold the giving of any information on closed loans in compliance with the requirements of the manual, and that if they desired that information, that they might get in touch with the Home Owners' Loan Corporation in Washington, and they would ascertain whether or not this information which they wished, should be given them. Additionally, Senator, the files contain certain confidential papers. There are character reports on the persons in those files, and I have often presumed that that was the reason why the Government did not wish to have those files examined by people outside, and I am trying to carry out the letter of the requirements of what came from Washington.

Senator HASTINGS. Senator Long, excuse me a moment. You have mentioned something about some proclamation on Easter. That is the first I have heard of that. A proclamation by whom? The Governor?

Mr. HABANS. No; by the State Banking Department of Louisiana.

Senator HASTINGS. Which prohibits from being done, the things which were being done in the past?

Mr. HABANS. Yes, sir.

Senator HASTINGS. Did you testify to that?

Mr. HABANS. Senator Barkley brought that out yesterday.

Senator LONG. That is in the record. But after this proclamation, none the less you did let the banking officials go in there and get the data that you said that you are familiar with in one column, until we reached Sullivan's testimony, and you put the lid down.

Mr. HABANS. No, Senator; I think you have got the wrong idea about what I did. It was immediately after the giving of that information requested by one of the representatives of the banking department that I felt it necessary to get in touch with the Washington office to ascertain their pleasure on the subject, and as I stated before, I had the State counsel telephone to the legal department in Washington, and that was their interpretation of the manual, that we should not give out any information to anybody unless it were applied for to the board in Washington.

Senator LONG. But the State bank examining officials were in your office as late as Saturday of this last week getting this information here, weren't they, that I have on these sheets?

Mr. HABANS. Not that I know.

Senator LONG. You did not know that?

Mr. HABANS. No, sir.

Senator LONG. You knew that they were there when you left as late as Friday, didn't you?

Mr. HABANS. No, sir; I did not know that, because I met Mr. Wood of the State banking department in the office. It may have been Friday or Thursday. But he was not there on that. He was there on the question of numerous applications which are pending for the Pyramid Homestead, which is the only homestead in New Orleans which is in liquidation, and that liquidation under the law is under the supervision of the State banking department, and the information that he was requesting was information that we give to the mortgagees in all cases, the amounts of the appraisal, and the amounts that we could loan to pay off the obligations.

Senator LONG. You are familiar with the Dumaine Realty Co., aren't you?

Mr. HABANS. No, sir; I am not.

Senator LONG. You are not familiar with that?

Mr. HABANS. No, sir.

Senator LONG. Not familiar with the Thrift Realty Co.?

Mr. HABANS. I have heard both of those names. I know that they are names of realty companies, but I am not familiar with either one of them as to who they are, what they are, and what business they do.

Senator LONG. You are not familiar with who their officers are?

Mr. HABANS. I do not even know the officers of either one of the two companies.

Senator LONG. If they are carrying on these transactions, and it should happen that one of their officers is the president of it, that he is one of your appraisers, that would be something unknown to you?

Mr. HABANS. Would you mind mentioning who?

Senator LONG. Meyer Eiseman.

Mr. HABANS. He is not even connected with our corporation. He is not one of our appraisers, and he is not connected with our corporation at all.

Senator LONG. Isn't Mr. Meyer Eiseman operating the Thrift Corporation and the Dumaine Realty Co.?

Mr. HABANS. Senator, I told you I do not know who is operating those two companies. I do not know who the officers of those two companies are.

Senator LONG. Don't you know that they are bringing down fabulous sums and profits amounting to \$1,200 and \$1,500 through these interposed concerns?

Mr. HABANS. I do not know that to be a fact. I think each case would have to be investigated on its merits.

Senator LONG. What do we have to do to try and get the proper authorization so that we can go back in there and trace down these matters in Sullivan's case?

Mr. HABANS. What do you mean?

Senator LONG. What do we have to do to get the check up we started?

Mr. HABANS. Anybody desiring information on any particular case or any number of cases, if they will address me on the subject, I will address that to the Washington office, if they will state specifically what they want, and I will be very glad to transmit that and ask the approval of the Washington office for the giving of such information as I have in my files.

Senator LONG. I state to you that we want the same kind of information that we were getting until you stopped us after last Saturday when Mr. Sullivan took the stand. That is what we want, and we want to be allowed to go in there and check up as quickly as possible.

Mr. HABANS. In compliance with the regulations which are contained in the manual of the corporation, I am not permitted to give that information on closed loans unless I get the authority from Washington to do that.

Senator HASTINGS. Do you know how the banking department got this information which Senator Long is talking about?

Mr. HABANS. Yes; I think I understand it. I think it is quite clear. The only information which he required from me as the State manager was the amount that we paid to the mortgagee in each instance of a certain group of cases.

Senator HASTINGS. Where did he get that?

Mr. HABANS. I gave him that information. That is the only figure that he asked for and secured from me. I gave it to them very liberally and voluntarily. There was nothing to conceal.

Senator HASTINGS. That prohibition is not contained in the manual.

Mr. HABANS. No; I did not say that that prohibition was not contained in the manual, but this thing was up in the air because of this proclamation by the State banking department, and the State banking department being a public institution, I felt that I could stretch

the interpretation of the manual to give them that particular fact. Now, the Senator in his statement here now is referring to a wholesale examination of our records by the State banking department, which you can readily see I would have to get the authority from Washington on, and I have no objection personally to any loan which has been made by the corporation, to having it published in the newspapers or anywhere else, because there is nothing to conceal as far as I am concerned.

The CHAIRMAN. Any other questions?

Senator HASTINGS. I want to ask a few questions as soon as he gets through.

Senator LONG. Go ahead, Senator.

Senator HASTINGS. Going back to your testimony of some time ago, I wanted to ask you before and forgot to. You said the application was made by the mortgagor.

Mr. HABANS. Yes, sir.

Senator HASTINGS. What happens in a case where the mortgage has been foreclosed and the property belongs to the mortgagee? Who makes the application in that instance?

Mr. HABANS. The same mortgagee. He makes it for redemption.

Senator HASTINGS. He makes it for redemption?

Mr. HABANS. Yes; that is a very serious problem too, that matter of redemption, because of the specific 2-year limitation that is on there, and it has required a number of rulings and interpretations by the general counsel.

Senator LONG. Do you intend to leave the city if I should let you go? Do you intend to go tonight?

Mr. HABANS. Senator, I would like to get out of Washington as quickly as I can, because of pressing business in Louisiana.

Senator LONG. I have almost got to put my other man back on the stand, Mr. Chairman, to ask him. You say this profiteering in these kinds of transactions are going on throughout the United States, as I understand?

Mr. HABANS. It is my understanding that profiteering—I don't quite know just what you mean by "these kinds."

Senator LONG. This kind of profiteering.

Mr. HABANS. I cannot answer that. But I speak of profiteering generally. It has been more or less general, and for that reason the Corporation has sent out numerous statements in a general way to all State managers throughout the country.

Senator LONG. What day of the month is today?

Mr. HABANS. The 11th.

Senator LONG. You got here on about what day of the month?

Mr. HABANS. I got here Monday morning.

Senator LONG. The 9th?

Mr. HABANS. I think that is the 9th.

Senator LONG. You went over the the Home Owners' Loan Corporation, did you not?

Mr. HABANS. I have been over there every day since I am here, because I had a whole lot of business to attend to.

Senator LONG. And you labored with them to get them to prescribe some rule that would help you out in stopping this?

Mr. HABANS. No; Senator, you are entirely wrong in you conclusion.

Senator LONG. Didn't you, Mr. Habans, go over to the Home Loan Office and begin to belabor them that you were faced with a problem that you would have to have some advice on to try to cover up what you have been doing there?

Mr. HABANS. Senator, if I said that I could influence the Home Owners Loan Corporation in Washington, with its officers, who are unknown to me personally, influence them to do that which would be necessary to cover up the problem down there, I would be very, very vain and I would be stating something which was untrue.

Senator LONG. But when all of this exposure had come out and the bank examiner had published the ukase prohibiting this fraud, after exposing it, and when the bank examiner had been summoned to Washington to testify after he had wired the details here, then it was that you went over to the Home Loan on April the 9th and just coincident with your arrival there, the suggestion comes of something that you could prevent this. Is that the idea?

Senator HASTINGS. What is the date of the resolution?

Senator LONG. April the 9th. The date he landed in Washington.

Mr. HABANS. Senator, I will give you my opinion about how this resolution was passed.

Senator LONG. I don't want your opinion. I want to know if you did not go there and discuss this matter with them that day.

Mr. HABANS. Let me answer that properly.

Senator LONG. You can answer that.

Mr. HABANS. I came to Washington on Monday morning. I arrived here early enough to go to my hotel and take a bath and to pass by the Home Owners Loan Corporation on my way to report on the summons which I received from the committee. I just told them that I was appearing before the Banking Committee, that I had been summoned to appear and did not know what they were going to question me on and would come back later in the afternoon. Later in the afternoon I went back there and I found that this resolution had been in course of preparation for quite some time at the office of the corporation and I did not know that it was passed until yesterday when I called at the office of the corporation, and I am quite certain that the matter had not been influenced by any statement of the State banking department of Louisiana or the statements made by the Senator on the floor of the Senate.

Senator LONG. You knew that Mr. Stanley W. Ray, who is shown here on exhibit 1—and, by the way, Mr. Chairman, I do not believe that these exhibits ever were formally—a note was made that they were offered in evidence. I would like to have the privilege of substituting a copy of these.

The CHAIRMAN. They are in the Congressional Record.

Senator HASTINGS. They are also in here, I think.

The CHAIRMAN. Won't you cite the fact that they are in the Congressional Record?

Senator LONG. I would like to have them printed in here. It is not very long. I would like to just offer them and have them in here too.

Senator HASTINGS. I am quite certain, Mr. Chairman, it has already been done.

The CHAIRMAN. If they have not been put in, let them go in. We want to save the Government as much expense for printing as we can.

Senator LONG. I want to offer in evidence exhibit 1, H.P.L., being the Liberty Homestead Association transactions with the Home Owners' Corporation handled through Stanley W. Ray; I offer exhibit 2, initialed H.P.L., being transactions with the Acme Homestead Association, New Orleans, La., sales of stock made through the Home Owners' Loan Corporation; and I offer exhibit 3, being initialed H.P.L., transactions handled by Meyer Eiseman, for the Union Homestead Association, New Orleans, La.; exhibit no. 4, initialed H.P.L., Eureka Homestead Society, New Orleans, La., loans negotiated through H.O.L.C. by Stanley Ray. Two of these sheets, no 1 and no. 4, are through Stanley Ray, comprising 47 transactions.

The CHAIRMAN. Let them go in the record if they are not already in. (The exhibits are as follows:)

EXHIBIT 1

Liberty Homestead Association, transactions with Home Owners' Loan Corporation handled through Stanley W. Ray

Date of sale	Name of borrowers	Total amount due	Cash received	Stock received	H. O. L. C. bonds and cash received	Market quotation stocks	Market quotation H. O. L. C. bonds	Profit to Ray
Nov. 18, 1933	Salazar, Mrs. M. D	\$8,266.95		\$7,600	\$4,265.00	39 $\frac{1}{2}$	82 $\frac{3}{4}$	\$527.29
Dec. 7, 1933	St. Amant, Claude	2,000.00		2,400	1,347.90	42 $\frac{3}{4}$	83 $\frac{1}{2}$	96.75
Dec. 18, 1933	Albeanese, J. D	3,300.00		3,300	1,612.75	39	84	319.08
Dec. 23, 1933	Wolfe, Walter J	1,701.88		2,600	1,492.47	58	83 $\frac{3}{4}$	151.45
Dec. 14, 1933	Davis, Ida G	7,195.43	\$1,500.00	8,000	6,341.09	38 $\frac{3}{4}$	84 $\frac{3}{4}$	789.85
Dec. 9, 1933	Meunier, Jules	6,368.29		7,900	4,419.03	42 $\frac{3}{4}$	84	354.71
Dec. 23, 1933	ExKano, Paul	1,010.24		1,800	1,000.00	50	83 $\frac{3}{4}$	162.50
Jan. 9, 1934	Cook, Mrs. Walter	9,090.49	2,284.54	10,000	7,889.09	39	92 $\frac{1}{2}$	1,112.79
Jan. 12, 1934	Acosta, J. P.	1,112.19	344.00	1,500	1,158.15	38	92	151.36
Jan. 15, 1934	Landry, E. J	2,066.10	919.88	2,000	2,141.04	37 $\frac{1}{2}$	92	49.84
Jan. 20, 1934	Cooper, Thomas B	3,992.83	1,521.00	3,000	3,308.24	39 $\frac{1}{2}$	92 $\frac{3}{4}$	345.63
Feb. 1, 1934	Valenti, Mrs. C	5,697.76	1,182.00	5,000	3,813.00	39	96	528.48
Jan. 27, 1934	Thomas, Mrs. M. S	4,868.75	1,100.00	4,000	3,234.26	40	95	372.30
Jan. 30, 1934	Walther, F. L	7,099.46	475.00	6,500	3,787.06	39 $\frac{1}{2}$	95	533.15
Feb. 6, 1934	Bianca, Mrs. Louis	3,927.40	259.00	4,000	2,233.96	40 $\frac{3}{4}$	97 $\frac{1}{8}$	339.54
Feb. 23, 1934	Weinmann, Mrs. J. M	3,457.72	1,250.04	2,200	2,388.93	40 $\frac{3}{4}$	95 $\frac{1}{4}$	139.03
Mar. 1, 1934	Waguespack, Mrs. F	4,991.64	1,685.76	3,500	3,623.07	40 $\frac{3}{4}$	94 $\frac{3}{8}$	324.69
Mar. 2, 1934	Sheldon, Ernest	1,642.44		1,900	931.12	40 $\frac{3}{4}$	97 $\frac{1}{4}$	149.64
Mar. 9, 1934	Buffet, A. J	4,291.18	2,346.00	2,000	3,551.09	40 $\frac{3}{4}$	97 $\frac{1}{8}$	297.90
Mar. 15, 1934	Brown, Mrs. Paul, et al	3,000.00		3,250	1,625.39	40 $\frac{3}{4}$	97 $\frac{1}{4}$	273.19
Mar. 23, 1934	Christophe, F. J	3,172.31	968.00	2,200	2,138.38	41	98 $\frac{1}{8}$	227.51
Mar. 23, 1934	Horang, Rosine	5,210.39	3,300.00	2,000	4,549.20	41	98 $\frac{1}{8}$	343.70
Mar. 23, 1934	Lamarie, M. B	6,019.57	2,620.00	3,500	4,549.20	41	98 $\frac{1}{8}$	498.70
Mar. 22, 1934	Mercier, Joseph E.	1,428.36		2,000	997.77	41 $\frac{3}{4}$	98 $\frac{1}{8}$	142.50
Mar. 22, 1934	Rasmussen, H. F. W	5,751.66	1,048.00	5,000	3,617.33	41	98 $\frac{1}{8}$	451.18
Feb. 21, 1934	Catamia, S	3,500.00	1,618.33	2,000	2,849.59	40 $\frac{3}{4}$	96 $\frac{1}{2}$	307.27
	Total	110,153.02	24,412.55	99,150	79,155.07			8,458.93

1 Loss.

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EXHIBIT 2—H.P.I.

Transactions in the Acme Homestead Association, New Orleans, La.—Sales for stock made through the Home Owners' Loan Corporation

Date of sale	Names of purchasers	Book value	Cash received	Stock received	Commissions paid	Bond quotations	Attorney's fees	Estimated profit	Estimated bond proceeds	Other expenses	Bonds issued	Names of original owners
Dec. 18, 1933	Briant, H. A. (P.J.L.)	\$6,443.31		\$7,100	\$284.00	84	\$384	\$1,058.49	\$4,040.49	\$500	\$4,810.11	H. A. Briant.
Jan. 27, 1934	Prieto, Virginia M. (P.J.L.)	3,402.53	\$500.00	3,500	100.00	95		450.00	2,420.09		2,538.52	George Huet.
Do.	do	2,963.66	192.00	4,500	187.68	95		841.81	2,923.81		3,077.70	Mr. & Mrs. A. Berthelot.
Feb. 23, 1934	do	1,615.67	102.40	2,000	84.10	95½		621.66	1,564.06		1,642.06	Luke Francis.
Mar. 5, 1934	Thrift Realty Co., Inc. (Sizeler)	9,105.23	560.00	11,440		96½		1,285.83	6,089.63		6,972.66	Mrs. H. K. Elmer.
Do.	do	3,812.86	250.00	3,950	168.00	96½		413.00	2,322.00		2,400.00	E. J. Colgas.
Do.	Leaman, Mrs. Virginia P. (P.J.L.)	6,209.81	360.00	6,100	258.40	96½		1,287.60	4,209.63		4,351.04	Mrs. Eva Beelman.
Mar. 7, 1934	do	6,365.25	900.00	6,200	355.00	96½		1,247.93	4,809.93		4,971.51	Frank Di George.
Do.	do	1,303.87	250.00	1,500	70.00	96½		543.51	1,443.51		1,492.27	Jonas Wormser.
Mar. 23, 1934	Dumaine Realty Co. (Meyer)	6,229.79		6,600	264.00	98½		593.70	3,365.70		3,429.61	A. A. Antoine.
Do.	Dumaine Realty Co. (Eiseman)	6,171.78	300.00	6,700	280.00	98½		466.16	3,530.16		3,648.58	Clarence L. Smith.
	Total				2,111.18			8,809.78				
	Total commissions paid							2,111.18				
	Grand total							10,920.96				

Amount of bonds issued obtained from Home Owners' Loan Corporation.
Stock quotations actual.

All transactions calculated on basis of stock valued at \$42.
Eleven transactions: Commissions and profits of practically \$1,000 each.

EXHIBIT 3

Transactions handled by Meyer Eiseman for Union Homestead Association, New Orleans, La.

Date	Name of borrower	Total due	Cash received	Stock received	Bonds approved	Stock quotations	Bond quotations	Brokers' estimated profit
Dec. 27, 1933	Builtman, O. C.	\$2,271.78	\$700.00	\$1,600	\$1,940.00	\$48	\$84	\$161.68
Jan. 16, 1934	Gomez, Mrs. A. P.	1,942.49		2,000	1,500.28	48	92	430.00
Dec. 12, 1933	Jones, J. O.	20,484.50		20,500	10,947.83	48	84	870.00
Jan. 12, 1934	Fenassei, E. J.	1,675.41		1,750	1,102.80	48	92	321.00
Feb. 1, 1934	Dieck, H. T.	3,993.37	300.00	3,650	1,900.00	48	96	371.04
Feb. 17, 1934	Eiserloh, N. W.	3,093.24	800.00	2,500	2,427.74	48	96½	400.00
Mar. 21, 1934	Brown, Y. E.	7,309.07	553.41	7,000	4,600.91	51	92½	478.63
Mar. 27, 1934	Braquet, T. V.	1,931.35	447.90	1,700	1,500.24	51	98	213.90

EXHIBIT 4

Eureka Homestead Society, New Orleans, La.

[Loans negotiated through Home Owners' Loan Corporation by Stanley Roy]

Name	Apparent profit figured from bid prices	Date sold by association	Book value	Payment in cash	Payment in stock of association	Home Owners' Loan Corporation net amount of par-value bonds issued after deductions	Bonds		Stock		Home Owners' Loan Corporation folio number
							Bid	Offered	Bid	Offered	
Peter Yuratic	\$133.96	Mar. 21, 1934	\$5,299.90		\$5,299.90	\$3,265.04	96 $\frac{1}{2}$	99 $\frac{1}{2}$	38		A-592
Frank Sullivan	1,449.38	Feb. 28, 1934	10,612.27	4,500	5,512.27	2,504.49	94 $\frac{1}{2}$	95 $\frac{1}{2}$	57 $\frac{1}{2}$		A-321
H. C. Bocage	954.14	Mar. 2, 1934	2,699.15		2,699.15	2,570.08	97 $\frac{1}{2}$	98	57 $\frac{1}{2}$		A-339
Mrs. Katherine K. Oertling	357.20	Feb. 23, 1934	7,690.60	\$6,000	1,690.60	7,690.60	95 $\frac{1}{2}$	95 $\frac{1}{2}$	57 $\frac{1}{2}$		A-279
Mrs. Laura Mersch	1,639.89	Dec. 26, 1933	5,333.29		5,333.29	5,333.29	83 $\frac{1}{2}$	84 $\frac{1}{2}$	53		A-80
Mrs. C. Eustes	2,053.66	Jan. 16, 1934	17,663.85		17,663.85	13,019.44	91 $\frac{1}{2}$	92 $\frac{1}{2}$	56	60	A-144
J. R. Nagle	687.98	Dec. 20, 1933	2,619.36		2,619.36	2,604.28	84	84 $\frac{1}{2}$	57 $\frac{1}{2}$		A-67
Mrs. T. Puncky	1,077.18	Jan. 15, 1934	4,823.96		4,823.96	4,106.58	92	92 $\frac{1}{2}$	56	60	A-136
L. T. Schrer	1,005.61	Mar. 7, 1934	4,798.05	800	3,998.05	4,232.36	96 $\frac{1}{2}$	97 $\frac{1}{2}$	57 $\frac{1}{2}$		A-375
Mrs. L. McDonald	826.52	Jan. 15, 1934	2,530.84		2,530.84	2,471.88	82	82 $\frac{1}{2}$	56	60	A-114
Uncas Tureaud	452.25	Dec. 28, 1933	1,675.39		1,675.39	1,675.39	84	84 $\frac{1}{2}$	57	58 $\frac{1}{2}$	A-84
Mrs. Myrtle Schwartz	1,654.58	Nov. 15, 1933	16,500.00		16,500.00	13,126.52	83	84	56		A-8
B. S. Boree	263.93	Dec. 29, 1933	5,000.00		5,000.00	3,702.64	84 $\frac{1}{2}$	84 $\frac{1}{2}$	57		A-48
Charles Goulen	320.11	Jan. 6, 1934	4,052.09		4,052.09	2,572.23	90 $\frac{1}{2}$	92 $\frac{1}{2}$	56	58	A-112
Mrs. Athene Harvey	1,191.97	do	4,908.41		4,908.41	4,709.72	90 $\frac{1}{2}$	92 $\frac{1}{2}$	56		A-115
Frank Albert	382.76	do	1,259.11		1,259.11	1,298.35	90 $\frac{1}{2}$	92 $\frac{1}{2}$	56		A-116
Felix Simms	574.52	Jan. 4, 1934	2,768.45		2,768.45	2,403.23	86 $\frac{1}{2}$	87 $\frac{1}{2}$	56		A-167
Joseph Brown	861.08	Feb. 27, 1934	2,281.43		2,281.43	2,281.43	86	86 $\frac{1}{2}$	57 $\frac{1}{2}$	60	A-281
Jean and A. Perret	721.19	Jan. 6, 1934	2,156.33		2,156.33	2,131.59	90 $\frac{1}{2}$	90 $\frac{1}{2}$	56	58	A-118
George C. Muhs	1,160.65	Mar. 15, 1934	3,979.81	700	3,279.81	3,852.94	92 $\frac{1}{2}$	97 $\frac{1}{2}$	57 $\frac{1}{2}$		A-434
Total	17,768.56		108,052.86	12,000	96,052.86	92,762.06					

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Senator LONG. Then those offers are made and they are to go in the record. Would I have the leave of the chair to withdraw the originals upon substituting a certified copy, so that I may retain these originals?

The CHAIRMAN. All right.

Senator LONG. That leave is granted then. Mr. Habans, 47 of the 65 are transactions handled and the profit made as shown on the exhibit, as I have only the information and the testimony as to Mr. Stanley W. Ray. Mr. Stanley W. Ray was the private secretary of Mr. John M. Parker when he was Governor of Louisiana; that is so, is it not?

Mr. HABANS. Yes; it is true that Mr. Ray——

The CHAIRMAN (interrupting). That has been testified to several times.

Mr. HABANS. It is true that Mr. Ray was his secretary, but I don't know anything about those sheets, Senator.

The CHAIRMAN. Are you through, Senator Long?

Senator LONG. No, I was going to call Mr. Schonberg——

Mr. SULLIVAN (interrupting). I just want to ask him a few questions if I may.

Senator LONG. All right.

Mr. SULLIVAN. Do you know of your own knowledge whether Mr. John P. Sullivan has had anything to do either directly or indirectly with loans or bonds or the business of the Home Owners' Loan Corporation?

Mr. HABANS. I know that he has never had anything to do with loans or bonds or business of the Home Owners' Loan Corporation, because I supervised the operations of the corporation myself.

Mr. SULLIVAN. Have you ever known Mr. John R. Sullivan to represent a client of any kind, nature, or description before the Home Owners' Loan Corporation?

Mr. HABANS. No, sir.

Mr. SULLIVAN. That is all.

Mr. HABANS. Mr. Chairman and Senators, I am very busy in Louisiana——

The CHAIRMAN (interrupting). If there are no other questions, you can be dismissed. Go back and tend to your business.

Senator LONG. I shall call Mr. Fahey.

TESTIMONY OF JOHN H. FAHEY, WASHINGTON, D.C.

(The witness was duly sworn by the chairman.)

Senator LONG. Will you please state your occupation at present?

Mr. FAHEY. Chairman, Federal Home Loan Bank Board.

Senator LONG. I wish to hand Mr. Fahey some exhibits which I think you have reviewed the copies of, which have been printed in the Congressional Record. Have you familiarized yourself with them?

Mr. FAHEY. No; I have not, Senator. I just got in from out of the city this morning, and I have not had an opportunity to go over this material at all.

Senator LONG. Then perhaps I had better explain the exhibits just a bit.

The CHAIRMAN. Well, Senator, let us not have too much testimony on that.

Senator LONG. Can you read the exhibits quickly without my having to offer you any suggestions about them?

Mr. FAHEY. Yes; I think so.

Senator HASTINGS. Let us have the question.

Senator LONG. The question I wish to ask, Mr. Fahey, is this: To your knowledge, has your office directly or indirectly or otherwise approved any such transactions as that going on through the Home Owners' Loan Corporation in New Orleans?

Mr. FAHEY. Senator, that would be a very broad question. It depends upon the type of transaction to which you refer, obviously.

Senator LONG. All right. The type is this. When depreciated building and loan stock is, we will say, selling on the market at 26 cents on the dollar, to give you the worst case, as is even shown by publications in the newspapers of the city of April 8, 1934, if depreciated stock of that value is exchanged either at 26 cents or 40 cents or 50 cents or 60 cents, that one securing a mortgage from the H.O.L.C., what we call a distressed home, securing, we will say, a mortgage of \$10,000, obligates himself for \$10,000, but that an interposed party comes in, takes the property through the building and loan company by giving them stock that cost them instead of \$10,000 we will say \$6,000, by which that interposed party reaps a profit of, we will say, \$3,000 or \$4,000 the mortgage is assumed by the home owner for \$10,000—if your concern has directly or indirectly approved that kind of transaction?

Mr. FAHEY. A lot of that sort of thing, Senator, depends upon the particular transaction and the limits of our authority. There are many variations in these cases. We have them coming up in many parts of the country and in different forms. For example, if the home owner is able to buy the stock of the Homestead Association or building and loan association himself and get an option on it at less than the regular price, he has the right to exchange that in many cases for the outstanding mortgage, and can then arrange with us to transfer that mortgage at the net cost to him. Where, however, stock in such an association is in the possession of the one who bought it originally and paid 100 cents on the dollar for it and takes possession of a home or piece of property as he may, of course, we are placed in a difficult position, and so is the home owner, in an attempt to transfer that mortgage to us, because the person who has acquired that property through foreclosure can elect to retain it and can refuse to make an exchange of bonds with us, and there is nothing in the world that we can do about it.

Wherever speculators have stepped into these situations, and they have in various sections of the country, and bought any stock at less than the par value of such stock and then an attempt is made to transfer the mortgage to us, the corporation makes effort and goes to every length that it can to effect the saving involved for the benefit of the home owner. However, you cannot always carry a transaction of that sort through, because the person who has foreclosed against the property has a legal right to hold it, and we have no power or authority to make him let go. For that reason I say, Senator, that it is very difficult to deal with these questions in generalities. It depends upon the conditions of a particular case.

Senator LONG. I am trying to give you the case in New Orleans as best I can. The question I am asking you is where the stock is

right out there on the market and can be purchased in a quantity for 26 cents on the dollar, and you are negotiating a loan, giving him H. O. L. C. stock for \$10,000, and he can buy \$10,000 worth of that Homestead stock at \$2,600, or for \$6,000 as shown by the publication right on the board, does the policy of your board sanction any such practice as that?

Mr. FAHEY. As I say, to talk of 26 cents on the dollar, stock bought by a speculator, as I say, the policy of the corporation has been to prevent that speculator from getting advantage of any such purchasers as that.

Senator LONG. I want to ask you—you know about how big an office the New Orleans office is. It is not one of your terribly big offices.

Mr. FAHEY. No.

Senator LONG. Here is a sheet with one man, Stanley W. Ray. There is another sheet of another homestead, also Stanley W. Ray. Out of those 65 cases, the first 65 cases examined, where, if you will note, your stock at the time is sold for 97 was swapped out on a stock that was bid on the market at 57, and you will find that there are cases probably worse than that, as you can see by the list. Not one case of the 47 cases right in front of you, but one man in all those cases.

The CHAIRMAN. What is the question, Senator?

Senator LONG. I am now asking his opinion of what the policy of the Home Owners' Bank is in that kind of a transaction.

Mr. FAHEY. Of course, I should say immediately, and I am sure the Board would, that it would be the policy of the Board in every possible case to prevent any advantage to a speculator and purchasers of that stock.

Senator LONG. And from your knowledge there—just look at the dates and look at the numbers—I have not been able to trace this man except in the 65 cases when we were stopped, when we tried to go there yesterday.

Mr. FAHEY. Who is Stanley Ray?

Senator LONG. He is formerly the secretary of Governor Parker, who is one of the gentlemen who says that he and Colonel Sullivan and Mr. Rightor had Mr. Habans appointed to run this office. Now, what was the question I asked?

(The record is read.)

Senator LONG. For that number of amounts and that number of transactions happening there.

Mr. FAHEY. I don't exactly get what you mean, Senator.

Senator LONG. Maybe I can put it this way and ask you as an opinion, do you think that a fairly intelligent competent man, honorably undertaking to administer the affairs, could have that sluice of cases with those divergences involved there, in that length of time?

Mr. FAHEY. Well, now, I don't know exactly what to say about that. If this man possessed these properties and foreclosed on them—

Senator LONG (interrupting). He did not foreclose on one.

Mr. FAHEY. Did he threaten to foreclose on them or start proceedings?

Senator LONG. No, sir; the evidence shows this, that distressed home owners were interviewed and shown the means by which they

could get back their properties, and that they were brought in and made applications for the loans, the appraisements were thereupon made on them, and thereupon the stock was gone out and purchased by Mr. Ray or those for him and exchanged, and at one sitting the Home Loan Board gave its bonds for what was purchased with the distressed building and loan stock.

Senator HASTINGS. In other words, Ray had nothing to do with the property except as a third person acquiring the stock and fixing it up with the Home Loan and with the owner of the property.

Senator LONG. That is all. He had no more interest in it than I did.

Mr. FAHEY. Well, on that—you understand, Senator, that I do not know what the facts are in these cases. It is utterly impossible for me to express an intelligent opinion on 65 or 75 cases here, individual cases, where I know nothing about the circumstances, but I would not hesitate to say this, Senator, that if our office in New Orleans accepted from a speculator wholesale operations of this sort without taking it up in advance with this board and finding out what the facts were behind it, he had no business to do it.

Senator LONG. And if he had taken it up with your board, you would not have stood for it, would you?

Mr. FAHEY. I express only my own opinion. I certainly would do everything in my power to prevent it.

Senator LONG. You expressed an opinion to me this morning when I asked you about it that was more emphatic, didn't you?

Mr. FAHEY. You can make it as emphatic as you please. I do not believe in that kind of a transaction. I think it should have no encouragement from the Home Owners Loan Corporation.

Senator LONG. Then I want to ask you one further question, Mr. Fahey. We had started out with the State banking department to investigate this series of transactions and others, and we have been stopped and told that we cannot go ahead further in the investigation by the New Orleans office, Mr. Habans stated that he gave that out by reason of an instruction that came from Washington. I want to know if you know of any reason why our State banking department will not be permitted to go on and complete the examination?

Senator HASTINGS. Senator, he has stated that the reason was that the prohibition was included in a manual that came from the home owners, as I recollect his testimony. He had not any new instructions as I recollect his testimony, from the home loan, but that it was contained in a manual. Heretofore he had been stretching it a little to give this information about the amount of the mortgages, but he complained that the banking commission wanted to make a more thorough examination, including a lot of stuff, and that is why he put the stop to it.

Senator LONG. Well, Mr. Habans takes the position—you are acquainted with the State banking department. We have a State banking department over the homesteads in Louisiana. I believe they have indicated their willingness to help out in this work all that they could. Do you know of any reason why you could not give us an order to allow the State banking department to complete an examination of the files of the Home Loan Corporation to determine this kind of transactions further?

Mr. FAHEY. I know of no reason why the corporation would not be ready to cooperate with the banking commissioner in undertaking that work down there of that sort. I know of no reason.

The CHAIRMAN. Mr. Habans testified that a gentleman in his office, whose name I have forgotten, took it up following the proclamation of the heading of the banking department—I think it was issued, he said, on Easter—and took it up over long distance with the office of your concern, and they thought the investigation should not be made until they have looked into it further.

Mr. FAHEY. That may well be the case. It may well be that there was a communication with someone in the office and I would not necessarily know of that, Senator, but it certainly would not be the attitude of our Board to deny cooperation with the banking commission of the State in making any inquiry along this line. Even making certain inquiries—

Senator CLARK (interrupting). This proposition as I understand it, goes a little bit further than the State authorities. Senator Long, as I understand it, is claiming the right to subject an agency of the Federal Government to an investigation by an agency of the State government.

Mr. FAHEY. That is a different matter.

Senator CLARK. The Board could not possibly consent to such procedure as that.

Mr. FAHEY. I do not think so.

Senator CLARK. That is quite a different proposition from furnishing information that might be desired.

Mr. FAHEY. That is right. That is a different matter. I did not understand it that way.

Senator LONG. The State banking department has to work along pretty well in a lot of these cases with the homestead people. They work together.

Mr. FAHEY. Oh, yes. We are in constant contact in practically every State with the State authorities, the State banking authorities. We never have any difficulty in cooperating with them.

Senator LONG. And there is nothing to hide, is there, in letting the State banking department complete this investigation, inasmuch as it is pretty well started?

Mr. FAHEY. It is a little bit different from our granting the State banking commissioner authority to investigate the offices of the Home Owners' Loan Corporation in the State of Louisiana. I think that is our own responsibility.

Senator LONG. All we want is the information that you were giving us up until last Sunday morning; in other words, we got this information out of the Home Owners' Loan Corporation some weeks after this busy Mr. Habans was talking about it, and all we want is the data showing how much the man was paid and what the items were that were paid out on the loan, so that we can compile the differences and the persons interposed in making these loans.

Mr. FAHEY. You mean all of the loans in the State of Louisiana, or what?

Senator LONG. I mean those that are made to the homesteads on this stock.

Mr. FAHEY. In New Orleans, or the entire State?

Senator LONG. I see no reason why it should be restricted. We do not need any, I don't think, except in New Orleans. I just wanted to be able—for instance, Mr. Sullivan testified about five cases on the stand in the Hibernia. We wanted to examine those particular loans of the Hibernia Building and Loan Co. Along the same line that we were examining it until we were halted.

Mr. FAHEY. I will be very glad—we will be very glad to take it up with the bank commissioner right away and see what kind of a plan we can work out.

Senator LONG. He is here, and when you leave the room I am going to ask Mr. Brock to confer with you.

Mr. FAHEY. We will be very glad to see him and get together.

Senator HASTINGS. I am wondering if the committee has not about all that can be of any service to them along this line.

The CHAIRMAN. It is the opinion of the chairman, of course, that we can keep up this investigation until doomsday. I have been hopeful that we could finish it every morning, but we have not been able to.

Senator CLARK. As I see it, this committee has no jurisdiction or authority to investigate the Home Owners' Loan Corporation of the United States or of the State of Louisiana. This hearing has been supposedly for the purpose of passing on the qualifications of Mr. Moore to be the collector of internal revenue of New Orleans. The committee, it seems to me, has gone very far in allowing Senator Long to show some connection between the Home Owners' Loan Corporation and Mr. Moore, and after some 3 or 4 days, I feel that no connection whatsoever has been established.

The CHAIRMAN. That is the conclusion of the chairman.

Senator LONG. I take the position that having shown that the important persons manipulating the two concerns, both come out of Colonel Sullivan's office, there is some connection.

The CHAIRMAN. Is there any other question you want to ask Mr. Fahey?

Mr. SULLIVAN. Mr. Chairman—

The CHAIRMAN (interrupting.) I wanted to ask Mr. Fahey a question. In your opinion, has Mr. Habans made a very good man as the head of the corporation in New Orleans?

Mr. FAHEY. As far as my knowledge goes, Mr. Habans has been doing pretty good work down there. I cannot go into detail on it, Mr. Chairman, because all of this material is new to us. This detail is all new to us, and I would not be prepared to express an opinion of the transactions of this sort without knowing the facts.

The CHAIRMAN. You have stated what the general policy of your organization is.

Mr. FAHEY. Exactly.

The CHAIRMAN. If there is nothing else, all right. Thank you.

Senator LONG. All right. I will call Mr. Schonberg back to complete his testimony.

FURTHER TESTIMONY OF IRVIN SCHONBERG, NEW ORLEANS, LA.

The CHAIRMAN. Won't you ask him to be as brief as possible, Senator, so that we can get through with it quickly?

Senator HASTINGS. My recollection is that yesterday when his testimony was interrupted, he was developing some of the Colonel

Sullivan transactions prior to 1932 in some loan association. Is that correct?

Mr. SCHONBERG. Yes.

Senator HASTINGS. I certainly do not think that we ought to go back to that. I think we have evidence here very much more material than that, that, if it affects it at all, will displace that. I do not think we ought to ask him anything further.

The CHAIRMAN. How much longer will it take you to testify?

Mr. SCHONBERG. I don't think it will take very long. It is only a few transactions.

Mr. RIGHTOR. How long?

Mr. SCHONBERG. About 5 minutes.

The CHAIRMAN. Proceed then for 5 minutes. I want to say that the committee is not going to sit in the morning. It has a very important matter that it must consider.

Senator HASTINGS. Aren't we through here, practically?

The CHAIRMAN. After you finish this witness, how many other witnesses have you?

Senator LONG. I have two more.

The CHAIRMAN. How many witnesses have you, Mr. Rightor?

Senator BARKLEY. How much longer is the committee going to permit the list of witnesses to be spread out each day, and added to until we get through here? Yesterday or the day before it was announced that there were only 2 witnesses, and then 3 were put on, and now it is announced that there are 2 more. How long are you going to keep that up?

The CHAIRMAN. Who are the other two witnesses?

Senator LONG. Mr. Hill and Mr. Carbajal.

The CHAIRMAN. How long will it take you on them?

Senator LONG. I could not tell you. I don't think very long.

The CHAIRMAN. How many witnesses have you, Mr. Rightor?

Mr. Sullivan, as I understand it, had not finished his cross-examination.

Senator LONG. I have to cross-examine him.

Mr. RIGHTOR. My other witnesses are cumulative, and dependent upon what the Senator——

Senator HASTINGS (interrupting). Along what line are they? Do you mind stating?

Mr. RIGHTOR. I won't use them at all unless something new comes up. There has been something new nearly every day.

The CHAIRMAN. The committee has certainly been working overtime on this. We have not been working under a code on this proposition. [Laughter.]

Senator HASTINGS. Isn't this apt to be true, that Senator Long has two more witnesses and wants to cross-examine Colonel Sullivan, and then we are through? Is that correct?

The CHAIRMAN. That is what I understand.

Senator LONG. As far as I understand——

Mr. RIGHTOR (interrupting). Unless something new develops.

The CHAIRMAN. Unless something new should arise.

Senator BARKLEY. Of course, if we adjourn from now until the day after tomorrow, the chances are that something new will arise. [Laughter.]

The CHAIRMAN. Proceed, Mr. Schonberg.

Mr. SCHONBERG. Before proceeding along that line, I would like to correct an error that I evidently made in the last testimony. With regard to the operations of the property of the Navillus Realty Co., deeded back to the Hibernia Homestead Association, the figures stated there are the 6 months' operation, I think the figure stated was \$19,000. I want to correct that to \$1,900.

Senator LONG. \$1,900 loss in operation for 6 months?

Mr. SCHONBERG. Yes.

Mr. SULLIVAN. For what time?

Mr. SCHONBERG. For the 6 months' period preceding my last regular examination.

I only have a few matters to clear up in regard to the questions asked on this Navillus Realty Co. The first question is, Mr. Sullivan asked me the question of what his net operations were. Net operations on real estate is this. When a homestead acquires a certain piece of property, it must necessarily handle that property just as an individual. It runs the property if it can and receives certain income and it pays certain expenses and has certain taxes to pay and other items incidental to the handling of the property. The net income for that 6 months' period is the difference between expenses and income. That is all there is to that point.

He referred to some differences on the record taken from the Hibernia Homestead Association. The difference as explained, he showed on some \$2,900 if I remember correctly, there were no credits given. I want to state in there that in the refinancing of that loan of \$20,000, \$25,000, and \$10,000, respectively, that the following are the entries taken from the book showing, as evidenced by the schedules, the various credits which I do not think it will be necessary to enumerate. That total down there of \$55,000 could or could not have been omitted. The difference of some \$2,900 necessarily is interest due on those loans. Mr. Sullivan should know that he has to pay interest on those loans in order to get that refinanced. Those loans were more than a year delinquent at the time of the refinancing.

Senator LONG. So the difference is interest?

Mr. SCHONBERG. Correct. Now, in connection with those three loans resulting at the refinancing down to one vendor's lien note of \$40,000 and another vendor's lien note of \$2,600, you might see that on all of those properties in order to refinance this loan as we term it in the banking department, the only particular piece of property left out of the \$40,000 vendor's lien note was the property securing the old note of \$10,000 and a new note was taken on the property which was at one time securing a \$10,000 note, and now secured a \$2,600 note, making it possible for that \$2,600 note to be paid up and the property go free.

Senator LONG. Of the \$7,400 and interest?

Mr. SCHONBERG. No, sir. There is no \$7,400 involved.

Senator LONG. The difference between the \$2,600 and \$10,000.

Mr. SCHONBERG. Yes; if you want to apply that to that particular loan.

Senator LONG. In other words, that property went with the mortgage of \$7,400 less, also less the interest that accumulated?

Mr. SCHONBERG. Right; but that interest was paid up when it was refinanced. You can see that. In that type of a transaction, where the Homestead holds the mortgages on various pieces of property, it

would occur that it would be a little unusual for them to take a certain group of properties back by what we call the dation en payment and allow one particular property to go free. Why didn't that Homestead take the deficiency judgment?

The CHAIRMAN. Go ahead, Do not give us your opinion on that proposition. State the facts.

Mr. SCHONBERG. I am giving the opinion on all Homesteads, as a matter of fact, in the way it should have been handled. That is about all.

The CHAIRMAN. Any other questions?

Senator LONG. You have heard Mr. Habans' testimony here, Mr. Schonberg?

Mr. SCHONBERG. Yes, sir.

Senator LONG. I am going to ask you, if there is any reason why a man has to interpose a third party in all of those cases in order to get the loan.

Mr. SCHONBERG. There is no particular reason at all why the third party must be interposed. In other words, the homestead has a right to accept the bonds direct. So many bonds are issued by the Home Owners' Loan Corporation, and the homestead can accept those bonds for its real-estate or mortgage loan as the case may be. The third party being interposed is merely for convenience of handling it in a stock way.

Senator HASTINGS. Are you sure of that?

Mr. SCHONBERG. Positive.

Senator BARKLEY. You mean that wherever stock is to be transferred or turned into the company, the homestead for the benefit of the home owner who now cannot buy it and transact the direct transaction by turning the stock in, the third party is necessary?

Mr. SCHONBERG. You see, in order for a homestead to accept its stock for its property, the law gives them the right to accept stock for the property in the case where the property is already in the homestead association, but the law does not give them the right to accept stock for a vendor's lien note, and in order to have the stock deal put through, that property must first be deeded back to the association, then the association must sell that property to the third party who can be the mortgagee, and accept the bonds, because if the association did not sell that property to the third party, when the bonds came to the association, they could not sell those bonds and take stock and cancel it on their books.

Senator BARKLEY. In other words, where there is an ordinary transaction the homestead company has the mortgage and gets the home?

Mr. SCHONBERG. That is right.

Senator BARKLEY. And the home owner is in distress and wants to finance through the Home Owners' Loan Corporation, and there are three parties to the transaction?

Mr. SCHONBERG. That is, in a stock deal?

Senator BARKLEY. No. Outside of the stock deal, there are three parties to the deal, the owner of the home, the owner of the mortgage, and the Home Loan.

Mr. SCHONBERG. That is correct.

Senator BARKLEY. All three of them have to get together in order to refinance?

Mr. SCHONBERG. That is correct.

Senator BARKLEY. Where the desire is to turn stock in in exchange for a mortgage, then the fourth party has to be drawn in?

Mr. SCHONBERG. Correct.

Senator BARKLEY. So that it is a fourth-party transaction instead of a three-party, and instead of this being a third party that you are talking about, it is really the fourth party.

Mr. SCHONBERG. However, I would like to make one little correction there. When the property is bought by the, as you term it, fourth party, the Homestead then has no connection with the Home Owners' Loan Corporation. In other words, the Home Owners' Loan Corporation is the party who bought the property.

Senator BARKLEY. Yes; he has bought it from the Homestead Co.

Mr. SCHONBERG. Correct.

Senator BARKLEY. Is it true that the law now prohibits the home owner himself from buying stock and turning it in to the Homestead Association in cancelation of his debt?

Mr. SCHONBERG. I did not quite get that.

Senator BARKLEY. Did the act of 1932 of the Louisiana Legislature make it impossible for the owner of the home himself to buy stock of the Homestead Association which has the loan against him, and turn that stock in in cancelation of his own debt?

Mr. SCHONBERG. Correct; if it were a loan.

Senator HASTINGS. But he could do this. The same owner could go after he has lost his property, he could go and take the same stock in order to buy his property back.

Mr. SCHONBERG. He could, if the Homestead would agree to accept the amount of stock that is tendered. It is at the homestead's option.

Senator HASTINGS. He could not do it before he lost this property? He could do it after he lost his property, just like anybody else?

Mr. SCHONBERG. He could. In other words, that would be one way of getting around the transaction.

Senator LONG. Let me ask you something else. Does the Homestead have to take this stock at par, or has it got to take it at the market value like anybody else?

Mr. SCHONBERG. That would involve quite a lot of details. Off-hand I would say that it must take it at par.

Senator LONG. It must take it at par?

Mr. SCHONBERG. Right.

Senator HASTINGS. But of course it can fix its own price for the property so long as it has the property? It could fix its own price for the property if it belonged to it, and in that way it would not make much difference whether the stock was high or low.

Mr. SCHONBERG. Correct. You will understand that in order for a Homestead to accept its stock below par it would then be showing preference to one shareholder.

Senator BARKLEY. Does the law of Louisiana permit a home owner who has lost his home a particular period of time for redemption?

Mr. SCHONBERG. No.

Senator BARKLEY. Whether it is sold to satisfy the mortgage or a public auction, or whether it is turned back under this French name of "dation en paiement," he has lost it for good?

Mr. SCHONBERG. Yes.

Senator LONG. Just one question. Can these loans be negotiated with interposing, we will say, this fourth party?

Mr. SCHONBERG. The loan with the Home Owners' Loan Corporation?

Senator LONG. Yes. Either by the homestead taking less value on the property, or anything of the kind?

Mr. SCHONBERG. Certainly.

Senator LONG. In other words, they do not have to bring this man in? The building and loan can depreciate the value to meet the appraisement or even below the appraisement?

Mr. SCHONBERG. Senator, I can best explain it this way. We will say that a homestead carried a piece of property for \$5,000. That borrower applied to the Home Owners' Loan Corporation for a loan on that property. He was granted a loan of \$4,000 in bonds.

Senator LONG. I want the chairman to get this. Start over again

Mr. SCHONBERG. In other words, the Homestead has repossessed a certain piece of property and carried it on its books for \$5,000. The party who had lost the property applied to the Home Owners' Loan Corporation for a loan, he wanted to redeem his home. The Homestead then would have the right to accept Home Owners' Loan Corporation bonds.

Senator LONG. Of how much?

Mr. SCHONBERG. Any amount the Home Owners' Loan Corporation saw fit to give. If it was \$4,000, they could accept it; \$1,000, they could accept. All homestead associations have reserves to charge losses which they may sustain on a piece of property.

Senator LONG. In other words, instead of throwing in this man, the homestead would have the perfect right if they give an appraisement of \$3,000 or \$2,000 or \$4,000, to take it without interposing a man to rake down this \$1,500?

Mr. SCHONBERG. Yes. Quite a number of those transactions have been put through. In other words, the homesteads have accepted the bonds direct.

Senator LONG. Now, is there any reason for throwing in this third man unless you want to pull off a racket?

Senator BARKLEY. That sort of question is not proper.

Senator LONG. Unless they want to give somebody a profit? Put it that way.

The CHAIRMAN. I think the committee understands this thing pretty well. Are there any other questions?

Mr. SULLIVAN. I want to ask him some questions.

The CHAIRMAN. Proceed.

Mr. SULLIVAN. When did you go to the State banking department in the examination of homestead matters?

Mr. SCHONBERG. Approximately in November of 1932.

Mr. SULLIVAN. In November 1932?

Mr. SCHONBERG. Yes, sir.

Mr. SULLIVAN. Did you prepare this statement for your State bank examiner that we discussed yesterday?

Mr. SCHONBERG. I did.

Mr. SULLIVAN. You prepared that?

The CHAIRMAN. One moment, Colonel. I must be on the floor, but Senator Barkley, will you preside and run as late as you can? It is merely a discussion on this proposition, and the committee will be

notified amply before we take a vote. I hope you can proceed along. There will be no committee meeting in the morning if we do not finish the case, and we must consider tomorrow the sugar bill that was passed.

Senator LONG. Mr. Chairman, what have we up over there?

The CHAIRMAN. It is the coconut-oil proposition which will be discussed for quite a bit. I will notify the committee.

Senator BARKLEY (acting chairman). You may proceed.

Mr. SULLIVAN. This is a statement that Senator Long offered subject to being rechecked. Already offered to the committee. In the list of credits, you total \$1,798.50, \$14,500, \$530.61, \$40,000, \$2,600, and \$83.35 in cash. You total those at \$55,000, do you not?

Mr. SCHONBERG. I have already stated—

Mr. SULLIVAN (interrupting): I asked you, do you not?

Mr. SCHONBERG. That was a typographical error.

Mr. SULLIVAN. A typographical error in writing out the figures in full, fifty-five thousand dollars, when you should have written \$59,512.76. That is an error of the typewriter?

Mr. SCHONBERG. In other words, Colonel, that is not necessarily the balancing of that loan. That is the credits reflected on the books of that association. That is only a part of the various credits.

Mr. SULLIVAN. But those credits did exceed \$55,000?

Mr. SCHONBERG. They do.

Mr. SULLIVAN. And on this report you have limited them to \$35,000 in your addition; that is correct, is it not, yes or no.

Mr. SCHONBERG. That is correct as far as that figure goes.

Mr. SULLIVAN. I cite this because a copy of this report has been printed in the Congressional Record at \$55,000 when it should have been \$59,512.76. In other words, in the Congressional Record as printed in the total that is given, it does not show that John R. Sullivan paid \$4,512.76. That is correct, isn't it? The Congressional Record is right before you.

Mr. SCHONBERG. It does not show that.

Mr. SULLIVAN. You used the word "refinanced."

Mr. SCHONBERG. Correct.

Mr. SULLIVAN. Weren't those loans consolidated? They existed before, and there was \$15,000 paid off on the principal, leaving them reduced to \$40,000, and a new note was given for that. Wasn't that a consolidation?

Mr. SCHONBERG. That is what we term a refinancing. In other words, those loans were not paid out in full until the new loans were granted.

Mr. SULLIVAN. Then you would call that "refinancing" instead of consolidation?

Mr. SCHONBERG. Correct. You could call it refinancing and consolidation if you saw fit.

Mr. SULLIVAN. But you did not call it "consolidation." You have here—I am just calling your attention to this—it does not amount to anything but I am trying to correct the record. You say the amount of \$20,400 paid out in full May 31, 1921—it is 1920? Whether it is 1920 or 1921, does not make any difference—it was paid?

Mr. SCHONBERG. I would not say that, because that was taken from the record. It is possible they had an error, or it is possible I did. I think the records will show whether I have made the error or not.

Mr. SULLIVAN. So, after that payment of \$15,000 on the \$55,000 mortgage, if you will follow me on your statement or this one—you have it right there before you—leaving the balance on the consolidated mortgage of \$40,000 of July 15, 1931. That is correct, wasn't it?

Mr. SCHONBERG. Correct.

Mr. SULLIVAN. There was interest on the original \$55,000 due at the time on July 15, 1931, of \$4,512.76. That is correct, wasn't it?

Mr. SCHONBERG. Correct.

Mr. SULLIVAN. In other words, on the \$20,000 loan, there was 1 year and 10 days amounting to \$1,628; on this \$25,000 loan there was 1 year and 10 days, amounting to \$2,035, and on the \$10,000 loan, there was 1 year and 14 days, amounting to \$822. That is a total of \$4,485.80, and then there was a balance due me which applied to interest of \$26.96, making a total amount in interest of \$4,512.76. That is correct is it not?

Mr. SCHONBERG. I really could not say.

Mr. SULLIVAN. In other words, that is the amount that you did not show in your totals.

Mr. SCHONBERG. In other words, I might explain that this record was taken as a matter of fact to show the shape of the loan in the refinancing. Interest payments were not considered. In other words, that has no bearing whatsoever on the refinancing of the loan. It would necessarily not have to appear.

Mr. SULLIVAN. Isn't it a fact that the records show that John R. Sullivan paid on interest of loans \$1,912.76, and that the \$2,600 mortgage represented the remainder of the interest, \$2,600? I want to show you that \$2,600 mortgage was executed. In other words, what I am trying to explain to you is this, and to refresh your memory on it, when a loan is paid on account and the sum of \$15,000 is paid, and a piece of property is released by reason of the payment of that \$15,000, and Mr. Sullivan has paid \$1,912.76 on his interest account, and then says to the Homestead, "Now, I owe you still \$2,600 in interest; take this piece of property; I cannot pay you now, take this piece of property and mortgage"—it may amuse the Senator, but the facts are here—"take this piece of property, place a mortgage on this piece of property for \$2,600." That mortgage was executed for \$2,600 on the 15th of January 1931, wasn't it?

Mr. SCHONBERG. Certainly.

Mr. SULLIVAN. And that mortgage, representing \$2,600 in interest was paid off the same year in the month of October, is that correct?

Mr. SCHONBERG. That is stated in the record.

Mr. SULLIVAN. I wanted to clear up that interest transaction with you.

Mr. SCHONBERG. That transaction as you stated, I do not think that the records of the Hibernia Association will show anywhere where that mortgage was for interest. In other words, all we are concerned with is that the mortgages were made, and was explained in the beginning of this thing, this is only the scratching of the surface, and it was hastily—in other words, we had not the time to go into the full details of all operations, consequently there are quite a number of deals or rather we might say credits of the various accounts that should be brought into that which we have no record of as yet. Now, something else regarding your payment of interest—

Senator HASTINGS (interrupting). I do not think the witness ought to volunteer.

Senator BARKLEY. I think if you answer the questions that are asked you, we will get through sooner.

Mr. SCHONBERG. Except he has put it as he sees fit. In other words, it does not exist that way.

Senator BARKLEY. Whenever he asks you a question in the form of a statement, you can say that the statement is not correct, but after you have answered, it seems that you are going on another subject as to which you have not been asked.

Mr. SCHONBERG. I have made it very short. Those credits were not specifically applied to any purpose. They were applied in a lump sum on the records of the association.

Senator BARKLEY. Is there any invidious conclusion to be drawn from that?

Mr. SCHONBERG. None other than he stated that the balance was \$2,600 of interest.

Senator BARKLEY. Would the records necessarily show it was interest if it was interest?

Mr. SCHONBERG. Not necessarily.

Senator BARKLEY. What is the next question?

Mr. SULLIVAN. I have not finished with him. As a matter of fact, if I told you that that \$2,600 represented interest, are you prepared to deny it?

Mr. SCHONBERG. I stated I would not be.

Mr. SULLIVAN. You are not prepared to deny it. Now, I want to ask you just a couple more questions. The mortgage of the Navillus Realty Co. to the Hibernia Homestead Association of \$40,000, the balance left on the \$55,000 loan, was executed on July 15, 1931. That is correct, is it not?

Mr. SCHONBERG. If that is what the loans, the schedule shows.

Mr. SULLIVAN. Your first report in dealing with the affairs of the Hibernia Homestead Association, as I gather it from the Homestead records, in your report to the Homestead on March 31, 1933, by Schonberg, examiner, you made no criticism of the loan, did you?

Mr. SCHONBERG. It was not a loan at that time.

Mr. SULLIVAN. March 31, 1933, the records show that this was granted on July 15, 1931, nearly 2 years before.

Mr. SCHONBERG. The records also show that it was deeded back to the association in December and it was in the real-estate account.

Mr. SULLIVAN. Did you make any criticism of that deeding back?

Mr. SCHONBERG. As I stated, it was deeded back and necessarily not being a loan, it would not be criticized. The fact that it was in the real-estate account, as I stated yesterday, would not necessarily involve serious attention, because we find frequently very large pieces of property in Homestead. However, had I known at the time after a later discussion, the considerable times that there had been discussed between the examiners and the association, where that loan had been discussed, I would probably have made a very strenuous comment.

Mr. SULLIVAN. But you made no comment whatsoever?

Mr. SCHONBERG. Correct.

Mr. SULLIVAN. And your predecessors are supposedly competent men?

Mr. SCHONBERG. Correct. They are competent.

Mr. SULLIVAN. You give them credit for competency?

Mr. SCHONBERG. Correct.

Mr. SULLIVAN. You made another supplemental examination of the Hibernia Homestead Association on November 20, 1933, and this is signed by Wood, assistant. I took this up and examined your principal on it yesterday, the State bank examiner. And there is no criticism made on the loan there.

Mr. SCHONBERG. I stated yesterday just the nature of that examination, and I state there were no criticisms at that time.

Mr. SULLIVAN. On the application of \$14,500 for the full-paid stock that Mrs. Sullivan and I paid \$100 a share for, the youngest of those shares being dated back in 1926, did you make any criticism of that transaction that was turned in on July 15, 1931?

Mr. SCHONBERG. Mr. Sullivan, as I previously advised, that transaction had not appeared to me. It appeared in the records as a piece of property repossessed at \$40,000. That was all I knew about it.

Mr. SULLIVAN. But on the stock transaction, you never went into it?

Mr. SCHONBERG. No; there would be no reason why I should, as it was property.

Mr. SULLIVAN. Isn't it a fact that on July 15, 1931, and your bank examiner has said that it is, that homesteads were receiving on account of loans in homesteads, full-paid stock crediting the loans. You know that to be a fact.

Mr. SCHONBERG. If it was, I do not know that it is a fact. My interpretation of that is that it was always illegal.

Mr. SULLIVAN. Your interpretation? That is an opinion.

Mr. SCHONBERG. I think that it is borne out by cases.

Senator BARKLEY. Whether it was illegal, had it been done?

Mr. SCHONBERG. Not to my knowledge.

Mr. SULLIVAN. Your state bank examiner said it was.

Mr. SCHONBERG. I am advising you I only went into that department in November 1932, and you will find that the act no. 140 of 1932 was in effect at that time.

Mr. SULLIVAN. That was after my affair? Mine was January 15, 1931?

Mr. SCHONBERG. Yes.

Senator BARKLEY. Is that all?

Mr. SULLIVAN. I just want to ask one other question. You are not prepared to say that the books of the Hibernia Homestead Association do not reflect in this \$4,510.76—that they do not reflect the interest?

Mr. RIGHTOR. He said that already.

Mr. SULLIVAN. You said it was all turned in in a lump?

Mr. SCHONBERG. That is correct.

Mr. SULLIVAN. What I have read you as interest going on the \$25,000, the \$20,000, and \$10,000, not only giving the year, but the year and the number of days, I have taken from the books of the Hibernia Homestead Association. You are not prepared to say that is not correct?

Mr. SCHONBERG. I have already stated I did not go into this detail.

Senator BARKLEY. All right. Who is the next witness?

Senator LONG. Just a moment. You were asked by the chairman, the Senator from Kentucky, Mr. Barkley, if there is anything in this about the transaction being shown. That does not alter the fact that

the people's property that was mortgaged for \$10,000 was exculpated with only a mortgage of \$2,600.

Mr. SCHONBERG. It does not.

Senator BARKLEY. Can we complete this with the other two witnesses that Senator Long said would take 5 minutes? Call them.

Senator LONG. I would just as soon go to examine Colonel Sullivan now.

Senator BARKLEY. No; I want to finish your witnesses now, unless there is some special reason.

Mr. RIGHTOR. The other bank examiner is purely cumulative of what this man said.

Senator LAFOLLETTE. Then let us have him quickly.

Senator LONG. I will call Mr. Hill.

Senator HASTINGS. Senator, is this along the same line?

Senator LONG. I am going to be very brief with this witness.

TESTIMONY OF JOHN B. HILL, NEW ORLEANS, LA.

(The witness was duly sworn by the acting chairman.)

Senator LONG. Mr. Hill, what is your occupation?

Mr. HILL. State bank examiner.

Senator LONG. Did you hear the testimony of Mr. Brock and Mr. Schonberg?

Mr. HILL. Yes, sir.

Senator LONG. Did you assist in preparing these exhibits that I offered here, numbers 1, 2, 3, and 4, relative to the home loan bank transactions and profits made, stocks bought, and so forth?

Mr. HILL. Some of them; yes, sir.

Senator LONG. You verified his figures and assisted in compiling them?

Mr. HILL. On the ones I handled; yes, sir.

Senator LONG. The facts as there stated are, to your knowledge, true and correct of those that you prepared?

Mr. HILL. Yes, sir.

Senator LONG. Is there anything else, Mr. Hill, in particular that I have not asked you? If there is, I can shorten it by asking you to state.

Mr. HILL. With reference to the application of stock on loans in 1931 prior to the passage of the act no. 140 of 1932—there has never been in the homestead law, as you know, the form of an act that allowed the application of stock for the liquidation of a loan when that association had a withdrawal list.

Senator LONG. Did they have any withdrawal list in 1931?

Mr. HILL. They did.

Senator LONG. There has been a decision rendered on that, hasn't there?

Mr. HILL. Yes, sir.

Senator LONG. Just by reference, do you refer to the case of *Dyer v. Dyer*, rendered by the Court of Appeals of the City of New Orleans reported in Louisiana Court of Appeals Reports, volume 15, page 677, dated the 5th of January, 1931?

Mr. SULLIVAN. May I see that, Senator, please?

Senator BARKLEY. Regardless of that, the act of 1932 wrote a new law in Louisiana on that subject, didn't it?

Mr. HILL. Yes, sir.

Senator HASTINGS. May I inquire of Senator Long, is the purpose to show that the stock which Mr. Sullivan started jout and got and turned in, that the association did not have the right to accept it?

Senator LONG. The purpose is generally to show that there was not anything allowing those kinds of transactions. They were being done; they were doing them, but I want to show by this witness just one further question. What was your authority when you ran upon these violations?

Mr. HILL. There is no penalty attached for violation of that law. The only recourse the banking department had was to report it to the attorney general.

Senator HASTINGS. Had it not been the practice of the associations to accept this stock in payment of outstanding notes?

Mr. HILL. Some associations; not all.

Senator LONG. Some associations were doing it, but not all of them?

Senator BARKLEY. I do not see what bearing that has on this.

Senator LONG. Did you make any reports of violations of the homestead law to the attorney general in those days?

Mr. HILL. No, sir.

Senator BARKLEY. Anything else?

Senator LONG. Why, Mr. Hill?

Mr. HILL. It did not seem to do any good to make reports to him.

Senator BARKLEY. If we want to try the attorney general now for neglect of duty in this important case, we can do that. There has been no charge made.

Senator LONG. Ail right. That is all. I will call Mr. Carbajal.

TESTIMONY OF NICHOLAS C. CARBAJAL, NEW ORLEANS, LA.

(The witness was duly sworn by the Acting Chairman.)

Senator BARKLEY. That is an Irish name, isn't it?

Mr. CARBAJAL. No, sir; that is a Spanish name. My father was a Spaniard and my mother was Irish.

Senator LONG. I guess you have probably, have you not—

Senator HASTINGS (interrupting). Did he say who he was?

Senator LONG. Where are you from?

Mr. CARBAJAL. New Orleans, La.

Senator LONG. What is your business?

Mr. CARBAJAL. Lawyer by profession. President of the Metropolitan Homestead. I was the president of the New Orleans Homestead Clearing House Association for 3 years. Active in politics in New Orleans.

Senator BARKLEY. On whose side?

Mr. CARBAJAL. I have been on all sides. [Laughter.]

I have been with Colonel Sullivan, opposed to Senator Long, and I have been with Senator Long.

Senator BARKLEY. We won't go into it further.

Senator LONG. The question is really more relevant than the Chair might have anticipated.

Mr. CARBAJAL. I was leader of the third ward of the old regular organization for several years in New Orleans.

Senator HASTINGS. Let us get at what you called him for.

Senator LONG. I will ask you if you had any connection with the campaign for Governor Long in 1927 and 1928?

Senator BARKLEY. We won't go into that.

Senator LONG. I have got to go into these financial matters. I object to it being brought in as hearsay.

Mr. CARBAJAL. When in 1927 you were a candidate for governor, I was a great admirer of yours and had a number of conferences with you and told you that, so far as the finances were concerned, that I was in a position to finance your campaign for governor in 1927 for the election in 1928. After a series of conferences, a State campaign manager was selected, Mr. Harvey Ellis, of Covington, La., who opened up State campaign headquarters in Covington. I was able to give him \$10,000. I gave him \$10,000 and that opened the State campaign. Immediately after that I rented space in the Pere Marquette Building in New Orleans, and opened city campaign headquarters there and personally provided all the money that was required for this enterprise. I had lots of money in those days. I have not got it now.

Senator LONG. You were the city campaign manager?

Mr. CARBAJAL. I was.

Senator LONG. Go ahead. Just go ahead and briefly sketch without any questions.

Mr. CARBAJAL. In the early stages of the campaign, money was rather hard to get, and at one period, several acquisitions were made to our ranks, and as the campaign progressed, other new accretions and connections were made and money was coming in very much more freely. I had several conferences with Colonel Sullivan—

Senator LONG (interrupting). Now, just a moment. I want to ask you that. You did that. Now, when did Colonel Sullivan come into our campaign? Do you remember about when?

Mr. CARBAJAL. I cannot fix the time.

Senator LONG. I will give you a letter so that you can fix it.

Senator BARKLEY. Listen, Senator. If that has any connection with the Bradley matter—

Senator LONG (interrupting). It has connection with what they have testified.

Senator BARKLEY. If it has any connection with it, why can't this witness, without going into all of the details of your campaign, testify as to anything he knows about the Bradley gift.

Senator LONG. I am coming to that.

Senator BARKLEY. I think you can come to it faster.

Senator LONG. I will show where the money came from, first and last, to pay every bill that was rendered.

Mr. CARBAJAL. I did not personally pay every bill that was paid, but so far as I knew, by inquiry and suggestion, Colonel Bradley never put up a dollar in that campaign or subsequent to that campaign, to my knowledge, and I was generally familiar with the contributions that came in.

Senator BARKLEY. Do you know whether or not this transaction occurred that Colonel Bradley detailed and that somebody who was chairman of the publicity committee detailed, and whether Colonel Sullivan went to Colonel Bradley and got \$40,000? Do you know whether that occurred or not?

Mr. CARBAJAL. No. All that I do know is that I spoke to Colonel Sullivan during the campaign and asked him if we could not get some

money from Colonel Bradley and he said Colonel Bradley did not and never did contribute to a political campaign.

Senator BARKLEY. That was before the election?

Mr. CARBAJAL. Yes.

Senator LONG. Go along with after the election.

Mr. CARBAJAL. After the election there was not any need. There were not any bills, so far as I know. The bills had already been paid. We had some money left over. As far as my memory would serve I should judge it was \$30 for each precinct on election day, and then there was a surplusage of money left over. As near as I can recall, it was used to purchase a Lincoln automobile for Governor-elect Long and presented to him after the campaign.

Senator LONG. What kind of an automobile was that?

Mr. CARBAJAL. A Lincoln, is my recollection of it.

Senator BARKLEY (acting chairman). I suppose it is equally material—did it run well?

Mr. CARBAJAL. I don't know; I never rode in it.

Senator LONG. No; it never did. [Laughter.]

Senator HASTINGS. Let us have him cross-examined. Do you want to ask him any questions, Colonel Sullivan?

Senator LONG. Did Mr. Sullivan at any time after the campaign—you had those conferences with Colonel Sullivan and myself, didn't you? Were they daily or weekly?

Mr. CARBAJAL. Up to election day I should say possibly until a week after election day.

Senator HASTINGS. Mr. Robertson testified that in March, following the election, there were several bills left over; that he was being asked by the persons to whom they were due about the money.

Mr. CARBAJAL. I know nothing about that. If there was any bills, I probably would have heard about it.

Senator BARKLEY. Was Mr. Robinson the chairman of the publicity end of the campaign?

Mr. CARBAJAL. I don't know whether that was his official title. He was handling publicity. I don't know whether Mr. Jesse Inman handled it. But Mr. Robinson did occupy a prominent part in the publicity department. Whether his title was publicity manager or not, I do not know.

Senator BARKLEY. Is that all?

Senator LONG. I believe that is all.

Senator BARKLEY. Do you want to ask him any questions?

Mr. SULLIVAN. Mr. Carbajal, you served as chairman, you say, of the city campaign committee?

Mr. CARBAJAL. My official title was city campaign manager.

Mr. SULLIVAN. At that time I was the chairman of the new regular democratic organization, was I not?

Mr. CARBAJAL. You were.

Mr. SULLIVAN. Did not the new regular democratic organization take the campaign and conduct it for Senator Long in the city of New Orleans?

Mr. CARBAJAL. In connection with that organization that we had built up. In other words, in the upper wards, we had Scott Herman and—he was a part of your organization—

Mr. SULLIVAN (interrupting). They were thrown into the new regular democratic organization?

Mr. CARBAJAL. Yes. And the organization paid for the meetings in the respective wards.

Mr. SULLIVAN. All right. It is the fact, however, that the regular democratic organization as it existed prior, did support Senator Long, and as it was added to by Senator Long's folks of the city of New Orleans, all operated under the name of the "new regular democratic organization?"

Mr. CARBAJAL. Well, beyond that, it was the Orleans democratic organization, and then it devolved into the new regular——

Mr. SULLIVAN (interrupting). You don't know what I am after.

Mr. CARBAJAL. Perhaps I don't.

Mr. SULLIVAN. The Orleans democratic organization was in 1919 or 1920, in the Governor Parker campaign; is that correct?

Mr. CARBAJAL. Yes.

Mr. SULLIVAN. And the McShain campaign?

Mr. CARBAJAL. Yes.

Mr. SULLIVAN. That organization also went out of business in 1922. It was disbanded.

Mr. CARBAJAL. I don't remember. It did disband.

Mr. SULLIVAN. Within a few months afterwards came the new regular democratic organization?

Mr. CARBAJAL. Yes.

Mr. SULLIVAN. And the new regular democratic organization went on, did it not, into Senator Long's campaign?

Mr. CARBAJAL. Yes; that is right.

Mr. SULLIVAN. You know that our meetings were all held under the name of the new regular democratic organization?

Mr. CARBAJAL. I think you are correct.

Mr. SULLIVAN. You knew that I was the chairman of the new regular democratic organization?

Mr. CARBAJAL. You were.

Mr. SULLIVAN. Did you know that I paid any bills for the new regular democratic organization; that I signed the checks as the chairman of the new regular democratic organization?

Mr. CARBAJAL. That is probably true.

Mr. SULLIVAN. That is correct.

Mr. CARBAJAL. But that there were other bills paid that you did not sign is equally true.

Mr. SULLIVAN. Other bills that you knew nothing about.

Mr. CARBAJAL. I don't know whether you knew anything about it or not.

Mr. SULLIVAN. We will agree that you knew nothing about it, and it is all right. We will just go a little bit further. You are not prepared to say that there were no bills due after the campaign was over?

Mr. CARBAJAL. I knew of no bills that were due after the campaign was over. I do know that Senator Long, after the trip in the country, came back and paid up a lot of bills that had accumulated, and my recollection is that between contributions from Mr. Shushin, Colonel Mastry, and others, that there was ample and sufficient and plenty of money to pay any bills that were accruing, and that there was sufficient money for the election-day expenses that was pro-rated, as near as I can recall, at about \$30 a polling booth.

Mr. SULLIVAN. Did you have anything to do with the raising of that money for election purposes?

Mr. CARBAJAL. In that particular campaign?

Mr. SULLIVAN. Yes.

Mr. CARBAJAL. No.

Mr. SULLIVAN. You had nothing to do with it?

Mr. CARBAJAL. That is not true either, because I did have something to do with contributions that were sent in. Of that election-day money, none of my personal money went into that.

Mr. SULLIVAN. You don't know just how much that was, do you?

Mr. CARBAJAL. My understanding and my recollection was that it averaged about \$30 a precinct. We have about 260 precincts.

Mr. SULLIVAN. For your information, it was \$35 a polling place in that election, and that was all that could be raised.

Mr. CARBAJAL. I said \$30.

Mr. SULLIVAN. You know then whether Colonel Bradley contributed 5 cents or not to Mr. Long's campaign?

Mr. CARBAJAL. All that I do know is that you told me that he would not put up a nickel.

Mr. SULLIVAN. That was during the campaign?

Mr. CARBAJAL. Yes.

Mr. SULLIVAN. You also told me that the suggestion was made that the Louisiana Jockey Club contributed, and I said that they were not in politics or they would not contribute either?

Mr. CARBAJAL. That is correct.

Mr. SULLIVAN. I told you in connection with Colonel Bradley, that Colonel Bradley was not a citizen of New Orleans. That is correct?

Mr. CARBAJAL. That is correct.

Senator BARKLEY. As chairman of the city campaign, would you have known anything about bills incurred by the State campaign committee or by the State?

Mr. CARBAJAL. In a way, in a general way, yes; because the State campaign manager, Mr. Harvey Ellis, when Colonel Sullivan was brought into the organization, he resigned and quit. It played havoc with the campaign at that time, and we had to get a new State campaign manager, and campaign headquarters, at Covington, La., was closed and moved to New Orleans in the Roosevelt Hotel, and the campaign manager for the State, as I recall it now, was Charlie Peckoe from Franklin, La., and Jesse Inman of Independence.

Senator BARKLEY. You do not have to go into all of that. You think you would have known of it if there had been bills incurred over the State that were not involved in the city campaign?

Mr. CARBAJAL. I think so.

Mr. SULLIVAN. After I came into the campaign for the new regular Democratic organization, did you pay a single bill for the new regular Democratic organization?

Mr. CARBAJAL. I don't know how to answer that. I paid some campaign expenses. I did not give you 5 cents, so that any bills that you paid was none of my personal money, but I did pay other bills in the campaign for expenses in the upper wards.

Senator BARKLEY. Is that all?

Senator LONG. Why didn't you give him any money?

Senator HASTINGS. That has nothing to do with it.

Senator LONG. It does. Did Colonel Sullivan tell you anything that caused you not to give him any more money yourself?

Mr. CARBAJAL. I might answer that question. In the Broussard campaign, I presume the Sanders campaign too, and Colonel Sullivan

worked together in supporting Broussard, who was successful in that campaign, with the aid of Senator Long, who was then ambitious to become governor.

Senator BARKLEY. That is not at all material.

Mr. CARBAJAL. In that campaign it was a question of debts. I spent \$25,000 or \$30,000 in that campaign, and it was suggested I could get some money from Colonel Sullivan at that time. I was in rather affluent circumstances, and I told him no, I would not give him any money unless I knew where the money was going to. He said we were friends today and enemies tomorrow, and that in campaign expenses he was not going to make any account of it, or some words to that effect. Perhaps he was wise in that selection.

Senator BARKLEY. You did not give him the money because you did not want to?

Mr. CARBAJAL. I was perfectly willing to pay campaign bills myself, but at least I desired the privilege and pleasure, if you may term it such, of spending my own money.

Mr. SULLIVAN. There was no reason except your desire to spend your own money that you were not willing to turn any money over to Colonel Sullivan?

Mr. CARBAJAL. In the Broussard campaign, I think you got something like \$10,000 from Weinberger—

Mr. SULLIVAN (interrupting). No, I did not. Those moneys were handled by Mr. Duval Armstrong.

Mr. CARBAJAL. I don't remember who handled it.

Senator LONG. Did Colonel Sullivan tell you in my campaign that he would not account for where he spent the money also?

Mr. CARBAJAL. Yes, sir.

Senator BARKLEY. All right. That is answered.

Senator LONG. One more question. Is this the letter that Harvey Ellis wrote when we accepted Mr. Sullivan?

Mr. CARBAJAL. Yes, sir.

Senator LONG. Was that letter published in all of the newspapers?

Mr. CARBAJAL. Yes, sir. Given great publicity.

Senator HASTINGS. Any other questions?

Senator LONG. I want to read the letter.

Mr. SULLIVAN. It is an abusive letter of Harvey Ellis.

Senator LONG. That is the letter that was published in all of the papers when he quit, giving his reasons why he quit, which was published in all of the papers.

Senator CLARK. I have not read the letter, but it must appear from all of the circumstances that it was a purely ex-parte statement.

Senator LONG. Published in all of the papers.

Senator BARKLEY. I imagine there are a lot of things published in the New Orleans papers that we do not want in this record.

Senator LONG. You have allowed a lot of other letters to come in.

Senator BARKLEY. Mostly at your suggestion.

Senator LONG. No, sir. They were all of the opposition. That letter describes—

Senator BARKLEY (interrupting). Let the Chair read the letter and see what it says.

Senator LONG. All right.

Senator BARKLEY. The Chair does not think this letter should be put in the record. It has no relation to Mr. Moore's appointment or

his qualifications. It is a rather abusive letter written to Senator Long by the campaign chairman, giving his reasons for quitting the campaign, and it has no bearing upon this controversy. If the other members of the committee want to read it to verify that decision, they may do so. The chairman feels that this should not be put into the record.

Senator LONG. The only reason given is that it is about Colonel Sullivan.

Senator BARKLEY. This is a private letter——

Senator LONG (interrupting). No; it was not private. He put it in the paper.

Senator BARKLEY. It was private until somebody published it.

Senator LONG. He published it.

Senator BARKLEY. Stand aside. Is that all, Senator Long?

Senator LONG. I have my cross-examination of Colonel Sullivan.

Senator BARKLEY. The committee will adjourn until 10 o'clock Friday morning, at which time it will resume the testimony of Colonel Sullivan.

Mr. RIGHTOR. That will complete the hearing? Let us have an announcement on the subject.

Mr. BARKLEY. Before the Chair forgets it, on both sides a number of papers have been put in evidence, but have not been delivered to the stenographer. I wish to state that all papers that have been submitted here for publication in the record must be given to the clerk of the committee so that they may be printed without delay.

(Whereupon, at 12:35 p.m., the committee recessed until Friday morning, April 13, 1934, at 10 a.m.)

CONFIRMATION OF DANIEL D. MOORE TO BE COLLECTOR OF INTERNAL REVENUE

FRIDAY, APRIL 13, 1934

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to adjournment, at 10 a.m., in the Finance Committee room, Senator Pat Harrison (chairman) presiding.

Present: Senators Harrison (chairman), Barkley, Clark, Connally, Lonergan, Byrd, Couzens, Keyes, LaFollette, and Hastings.

Also present: Senator Long, Mr. Edward Rightor, Col. John P. Sullivan, and Mr. D. D. Moore.

The CHAIRMAN. The committee will come to order. All right, Mr. Sullivan.

Senator LONG. Mr. Chairman, I have completed. Just want to call Mr. Brock to identify this exhibit, on the——

The CHAIRMAN. All right.

Senator LONG. Come around, Mr. Brock.

FURTHER TESTIMONY OF J. S. BROCK, NEW ORLEANS, LA.

(The witness was previously duly sworn by the chairman.)

Senator LONG. Mr. Brock, were you able——

Mr. RIGHTOR. Let me see it first.

Senator LONG. Were you able to complete your examination, the calculation with your department, for the Hibernia Homestead, of which Mr. Sullivan is president?

Mr. BROCK. Yes, sir; it has been completed.

Senator LONG. Have you the exhibit there, showing its completion?

Mr. BROCK. Yes, sir.

Senator LONG. We offer the exhibit in evidence, Mr. Chairman.

Mr. RIGHTOR. We object to it. Mr. Brock has not even been out of Washington since this thing came on.

The CHAIRMAN. Where did you get this proposition?

Mr. BROCK. From my examiner, who is in charge of the building and loan division of our department and who has been with our department for about 12 or 14 years.

Senator LONG. Was this made under your direction, Mr. Brock?

Mr. BROCK. Yes, sir.

Senator LONG. Had you assembled part of the figures before you left there?

Mr. BROCK. We had started it.

Mr. RIGHTOR. It shows a lot of relations of people to brokers, and so on.

Senator LONG. Shows just what the others showed.

The CHAIRMAN. Let us just wait a minute.

Well, Mr. Brock, you wired down to have this made; is that the idea?

Mr. BROCK. We had started an investigation there, Senator, before we left, had some information regarding the transactions, but the investigation had not been completed when I came up here. The investigation went ahead, by our Mr. Wood, as I just stated.

The CHAIRMAN. Is it the intention, Senator Long, to go into one of these items here?

Senator LONG. No, sir; no, just—the exhibit, there, is just like the other exhibits—shows for itself.

Mr. BROCK. Made by our examiners. The examiners, of course—it is out of the question for me to go—

The CHAIRMAN. Of course, I don't see the relevancy of the proposition at all, and I think that the other side would have a right to make any explanation of these propositions that they desired to make.

Senator LONG. All right.

The CHAIRMAN. Is there any doubt about the correctness? Is the correctness of the thing combated, without respect to its relevancy?

Mr. SULLIVAN. I do not know. We do not know a thing about it, sir.

The CHAIRMAN. Well, let it go in the record for what it is worth.

Senator LONG. Identify it with the initials "H. P. L., J. S. Brock Exhibit 6."

(Said exhibit is as follows:)

EXHIBIT 6

Transactions of the Hibernia Homestead Association with the Home Owners' Loan Corporation, New Orleans, La.

Date	Name of mortgagor	Amount due	Bonds approved	Stock received	Bond quotation
Mar. 29, 1934	P. L. Miller.....	\$1,989.35	\$1,989.35	\$2,000	99 $\frac{1}{8}$
Mar. 23, 1934	Mrs. L. J. Kline.....	2,712.85	2,712.85	2,800	98 $\frac{1}{8}$
Feb. 6, 1934	Mr. and Mrs. R. Bennett.....	3,126.17	2,740.74	3,300	97 $\frac{1}{8}$
Mar. 19, 1934	Mrs. Howard W. McCoy.....	7,165.67	6,065.35	7,100	97 $\frac{1}{8}$
Mar. 14, 1934	W. C. Maher.....	2,861.06	2,861.06	2,000	97 $\frac{1}{8}$
	Total.....	17,855.10	16,369.35		

Date	Name of mortgagor	Stock quotation	Names of brokers	Profit to brokers
Mar. 29, 1934	P. L. Miller.....	140	A. L. Sizeler.....	\$1,171
Mar. 23, 1934	Mrs. L. J. Kline.....	140	Jno. Hy. Brown ¹	1,541
Feb. 6, 1934	Mr. and Mrs. R. Bennett.....	140	A. L. Sizeler.....	1,337
Mar. 19, 1934	Mrs. Howard W. McCoy.....	140	I. Forchelmer.....	3,059
Mar. 14, 1934	W. C. Maher.....	140	Thrift Realty Co. (A. L. Sizeler)	1,625
	Total.....			8,733

¹ Approximate stock quotation.

² Husband of assistant secretary of the Hibernia Homestead Association.

Above figures include the deductions made for taxes, paving, etc.

Senator LONG. Now, just one question, there, Mr. Brock, and I want you to be brief, because we want to get through with this hearing.

You show there five loans of the Hibernia Homestead?

Mr. BROCK. Yes, sir.

Senator LONG. And how much money is it that the Home Owners' Loan Corporation put out on those five loans, or the amount of the bonds, rather?

Mr. BROCK. I can give you the totals, briefly. Originally—

The CHAIRMAN. Well, now, Senator, I thought you just wanted to put that in the record. If we are going into another examination of Mr. Brock—

Senator LONG. That is the only question I am going to ask him. I do not have another question.

The CHAIRMAN. Well, the thing speaks for itself, there.

Senator LONG. Well, I say this, being a little smart, like I did on the others, if you will just let him answer that one question, I will promise not to open my mouth again.

Mr. BROCK. The total amount of the loans with the above association were \$17,855.10. The bonds issued by the Home Owners' Loan in connection with those were \$16,369.35. The profit to the brokers, in connection with these five transactions, was \$8,733. That was brought about by the loans having been paid by stock of the association, at the market.

The CHAIRMAN. Your testimony here is based on the fact that one of your assistants gave you this information, Mr. Brock?

Mr. BROCK. Yes.

The CHAIRMAN. All right. That is all.

Any questions, Mr. Rightor?

Mr. RIGHTOR. No.

(Witness Brock excused.)

Mr. RIGHTOR. We submit Mr. Sullivan for cross-examination.

The CHAIRMAN. Is there any further statement you desire to make, Colonel Sullivan?

Mr. SULLIVAN. I understood he was going to cross-examine me first.

The CHAIRMAN. I understand.

Mr. SULLIVAN. Then, if I have any other statement to be made, you will permit me to make it?

The CHAIRMAN. All right.

FURTHER TESTIMONY OF JOHN P. SULLIVAN, NEW ORLEANS, LA.

(The witness was previously duly sworn by the chairman.)

Senator LONG. All right. I believe you stated you were the head of all the organizations, the O.D.A.'s, and the New Regulars, and whatever the name of it is at present, that you had, Mr. Sullivan?

Mr. SULLIVAN. I stated that I was the president of the Orleans Democratic Association, which went out of business in 1922, and thereafter I became the head of the New Regular Democratic organization, which started in 1922 and went through and supported you in your campaign for Governor.

Senator LONG. Well, what are you head of now?

Mr. SULLIVAN. We have the new regular Democratic organization still intact.

Senator LONG. And you are the head of that now?

Mr. SULLIVAN. Yes, sir.

Senator LONG. Mr. Sullivan, at the time of Mr. Moore's appointment, and of Miss Meretzky and Miss Flattery going in his department, will you give me the names of all of the employees in your office at that time—Miss Flattery, Miss Meretzky, Miss Golden, and who else?

May I put them down?

Mr. SULLIVAN. Miss Golden was not an employee of my office. Miss Golden came into my office under the circumstances as recited by Mr. Rightor on the stand. It was simply to afford a poor girl an opportunity of getting some experience. Miss Evelyn Flattery was working for the Hibernia Homestead Association. Miss Meretzky had just returned to New Orleans from a vacation, a short time before Mr. Moore was appointed.

Senator LONG. You say Miss Flattery, Miss Golden, Miss Meretzky, and who else?

Mr. SULLIVAN. I did not say I had those.

Senator LONG. Well, didn't you say Miss Golden was working in your office to get experience, so she could qualify to take a job in Mr. Moore's office?

Mr. SULLIVAN. She was in the office for the purpose of getting experience, for the purpose of getting some position, and after she was there several months, she asked to be given an opportunity of getting some position. I saw Mr. Moore and said, "Here is a splendid little lady, a daughter of John Golden. She is fully qualified, now", and told him the circumstances; but she never worked a day for me.

Senator LONG. Well, what was she doing there, the several months that you mention, if she was not working for you?

Mr. SULLIVAN. She was just copying documents for Mr. Sessler, and things of that kind. She never did a stroke for me, of any kind.

Senator LONG. What do you call working for you, if copying documents for Mr. Sessler, who is a lawyer in your office, was not working for you?

Mr. SULLIVAN. I don't call that working for me. I have explained the circumstances, that she came there to get some experience, and she did anything she felt like doing. Nobody gave her any line of work at all.

Senator LONG. Well, how long was she there?

Mr. SULLIVAN. I would imagine, if my memory serves me correctly about 3 months.

Senator LONG. About 3 months?

Mr. SULLIVAN. Yes, sir.

Senator LONG. And she did whatever work there was handy, over that 3 months?

Mr. SULLIVAN. No; I did not say that. She did whatever work she desired to do.

Senator LONG. All right.

Mr. SULLIVAN. And nobody bossed her, or told her what to do.

Senator LONG. All right. For 3 months?

Mr. SULLIVAN. I said, if my memory serves me properly, it may be 3 months.

Senator LONG. All right.

Mr. SULLIVAN. It may have been 2 months and a half.

Senator LONG. Then Miss Flattery, who has also, you said, worked at the Hibernia Homestead, was also working in your office, and you heard her testimony, did you not?

Mr. SULLIVAN. I heard Miss Flattery's testimony. Miss Flattery wrote my checks, and had been doing so since 1981. I know her since she was a child of 15 years old.

Senator LONG. You heard her testimony, in which she said she was in your office about as much as she was in the Hibernia Homestead office, did you not?

Mr. SULLIVAN. At the time there were a number of acts of sale to be passed, and business was good with the Homestead, and she would bring documents up to my office, and the only function that my office had in connection with the Hibernia Homestead was to pass acts of sale and examine titles. We knew nothing about any transaction of the Homestead, never inquired into it, and the papers were brought to us.

The secretary of the Homestead runs the Homestead. He has all to do with it. He has a board. He submits his matters to the board. The secretary is the real executive.

Frank Sullivan, my brother, is the president of the Homestead, having succeeded my father-in-law, Capt. John Fitzpatrick, who was president of that Homestead since it was organized in 1902.

Mr. Cain has been secretary of the Hibernia Homestead, now, for about 32 years. He hires all employees, discharges all employees. As a matter of fact, he just has two. He has an assistant, a book-keeper, and a stenographer, who was Miss Flattery.

Senator LONG. I am trying to get the names, now; I will ask you again.

You had Miss Golden, and you have described the kind of employment she had, approximately 3 months. You have described the employment Miss Flattery had; and then the names of the others who at that time were employed in your office, before Mr. Moore took charge of the internal revenue?

Mr. SULLIVAN. I don't know of any others who were employed in my office, before, except—

Senator LONG. Well, wasn't Mr. Sessler there?

Mr. SULLIVAN. Well, Mr. Sessler is there; yes. When Miss Maretzky came back, it was under these circumstances: She had gone off on leave of absence for 2 weeks, with pay, as I always give my stenographers a leave of absence of 2 weeks with pay, and she overstayed her leave, and came back about 5 weeks after she left, and when she came back, a young man by the name of Potter was in her place.

Senator LONG. Well, at the time Miss Maretzky went to Mr. Moore's office, was Mr. Potter there, one of your employees?

Mr. SULLIVAN. Yes; Mr. Potter was there.

Senator LONG. Is he still here?

Mr. SULLIVAN. Mr. Potter is there; yes.

Senator LONG. He is there yet?

Mr. SULLIVAN. Yes, sir.

Senator LONG. And Mr. Sessler. Now, Ford?

Mr. SULLIVAN. Mr. Ford was never employed by me. Mr. Ford had space in my office. Mr. Ford's business is this: He is an expert examiner of titles. Whatever work he did for me was purely on a fee basis. He not only worked for me, he worked for many lawyers in the city of New Orleans, in the examination of titles. That was

Mr. Ford's principal line of endeavor. Mr. Ford was never on my salary list.

Senator LONG. Are there any others who were in your office at the time? I have listed Miss Flattery, Miss Golden, Miss Maretzky—

Mr. SULLIVAN. I had a porter there, a colored man, whose name is McKinley Ellis.

Senator LONG. McKinley Ellis? That is all?

Mr. SULLIVAN. That is all I can think of at this time.

Senator LONG. Who is in the office now?

Mr. SULLIVAN. In my office now? Mr. Potter, Mr. Sessler, the porter, and myself.

Mr. Ford has recently, and within the last month—about a month ago—returned to my office. Mr. Ford did work for the home-loan bank. He is not employed by the home-loan bank any longer.

Senator LONG. Is that all?

Mr. SULLIVAN. That is about all I can think of, Mr. Long, at this time.

Senator LONG. All right. So that you are now running this office with Misses Flattery, Golden, and Maretzky gone, and with nobody to take their place, in your office?

Mr. SULLIVAN. You are speaking of my law office? It is a well-known fact among all lawyers of New Orleans, during the time of depression, that their business simply has gone out the window. There as no business to be done, and it wasn't necessary to have any more than one man's stenographer.

Senator HASTINGS. Well, the question was, whether anybody took their places. My recollection of your testimony is that Mr. Potter took the place of somebody.

Mr. SULLIVAN. Mr. Potter took the place of Miss Maretzky, after she had overstayed her leave; yes, sir.

Senator LONG. Miss Maretzky came back and went back to work in the office?

Mr. SULLIVAN. She came back, doing some special work in the office that she was needed for, at the time.

Senator LONG. Miss Maretzky was working in your office when she went to Mr. D. D. Moore's office?

Mr. SULLIVAN. Miss Maretzky was going to do some special work in my office; yes, sir.

Senator LONG. And Miss Flattery was working part of the time in your office, and the other part of the time in the Hibernia office, when she went to the internal-revenue office?

Mr. SULLIVAN. Miss Flattery was doing that, by writing my checks, exclusively.

Senator LONG. Yes; and Miss Golden was, as you stated, working in your office, at the time she went to the revenue department?

Mr. SULLIVAN. Under the circumstances that I have explained.

Senator LONG. Well, Mr. Potter was also working there, at the time these ladies went to the internal-revenue office?

Mr. SULLIVAN. Yes, sir.

Senator LONG. And you have no one taking the places of Miss Flattery, Miss Golden, or Miss Maretzky?

Mr. SULLIVAN. I did not have to have anyone. Miss Golden was unnecessary, and Miss Flattery only wrote my checks, and my business fell away practically to nothing.

Senator LONG. I am not asking you——

Senator HASTINGS. But isn't it true that Mr. Potter took the position of one of your regular employees?

Mr. SULLIVAN. Yes.

Senator HASTINGS. Who overstayed her leave?

Mr. SULLIVAN. Yes, sir.

Senator HASTINGS. And still occupies that position?

Mr. SULLIVAN. Yes, sir; that is correct.

Senator HASTINGS. All right.

Senator LONG. And this employee, Miss Maretzky, came back, and was doing work in your office with Mr. Potter there, at the same time, until she went to the internal-revenue office?

Mr. SULLIVAN. She was doing a special piece of work.

Senator LONG. Yes, sir.

Mr. SULLIVAN. One piece of work.

Senator LONG. And she gave, in her application, which you approved, that she was employed by you, did you not?

Mr. SULLIVAN. What do you mean by "which I approved"?

Senator LONG. I think you acted as a notary.

Mr. SULLIVAN. I act as a notary in a great many cases.

Senator LONG. Didn't you recommend Miss Maretzky?

Mr. SULLIVAN. Pardon me, pardon me. I am going to answer your question.

Senator LONG. All right.

Mr. SULLIVAN. I act as a notary in a great many cases. I have never, since I have been practicing law, made a single charge for putting a jurat on anybody's affidavit and for that reason, numbers of people around New Orleans bring me their affidavits, because they know it does not cost anything.

Senator LONG. You recommended Miss Maretzky, with the knowledge that she gave you as her employer, though, I believe, did you not?

Mr. SULLIVAN. I never saw Miss Maretzky's application, nor did I peruse it when she turned it to me to witness her signature.

Senator HASTINGS. You would not have hesitated to recommend her, if she had asked you to?

Mr. SULLIVAN. None in the least, sir. I think she is the best stenographer I have ever had in all my experience.

Senator CONNALLY. Is she open to employment now? [Laughter.]

Mr. SULLIVAN. She is over in the internal-revenue office.

Senator LONG. So that we may say, as a fact, that on the day that Miss Golden, Miss Flattery, and Miss Maretzky left your office, that they were there, with all the other employees who are there now, and that no one has been employed to take their places?

Senator HASTINGS. Senator, the witness has not said that. The witness has not said that.

Senator LONG. Well, let me ask him the question. I think you will find he will say it again.

Senator HASTINGS. Well, what is the use of trying to deceive the committee?

Senator LONG. I am not trying to deceive anybody. I am asking him a question, which I have got the record here to show already has been asked.

The day Miss Flattery, Miss Golden, and Miss Maretzky left to go with the internal-revenue department—

The CHAIRMAN. Well, ask him the question, Senator.

Senator LONG. They were employed in your office, as you stated, were they not, with Mr. Potter?

Mr. SULLIVAN. I never stated that Miss Golden was employed in my office.

Senator LONG. Oh, you didn't?

Senator COUZENS. Oh, well, the committee understand that connection. What is the use of keeping on reiterating it?

Senator LONG. All right.

Now, I will get on another line. You know Mr. F. C. Kriss?

Mr. SULLIVAN. Mr. Kriss came to my office—yes, I know Mr. Kriss.

Senator LONG. All right. How long have you known him?

Mr. SULLIVAN. I imagine—I am sure that I know Kriss since the 17th day of April 1928, when a piece of business was brought into my office.

Senator LONG. What date is that you give?

Mr. SULLIVAN. I have my original docket.

Senator LONG. April 17?

Mr. SULLIVAN. April 17, 1928. I am sure of that.

Senator LONG. Never knew him before?

Mr. SULLIVAN. I may have known him before.

Senator LONG. Do you know Mr. "Pro"?

Mr. SULLIVAN. Yes; I know a Mr. Pro Thomas, from the same time and under the same circumstances.

Senator LONG. Since it seems like you can remember the circumstances when you met them, I will ask you this question: Did you, prior to my inauguration as Governor of the State of Louisiana, take up with me, for Mr. Kriss and Pro Thomas, either or both, the proposition of their opening up a gambling dive in the parish of St. Bernard?

Mr. SULLIVAN. On the 17th day of April 1928 there was brought to my office by Mr. Pro Thomas a matter of examination of titles, the examination of some escrow agreements, of some amusement company that owned a place in St. Bernard which was known as Jai-Alai. That piece of work was brought into my office, and entailed a great deal of work. That work was done by Mr. Sessler. Upon the completion of that work by Mr. Sessler I came into my office one day and I found all the parties to the transaction in my library, ready to pass an act of sale, to the place called Jai-Alai. I passed in, and shook hands with everybody there, because they had some law business in my office.

As I went into my own private office, I remembered that I had told you of conditions, as I understood—

Senator LONG. "Told you"—you mean—

Mr. SULLIVAN. I mean you.

Senator LONG. "Mr. Long", so that the record will show.

Mr. SULLIVAN. I told Mr. Long of conditions as obtaining in the parish of St. Bernard, and I told him those conditions were intolerable, and Senator Long had pledged that, in those conditions, he would see that they were eradicated. I sent in for Pro Thomas.

He brought Kriss into my private office. I said to him, "Now, I want to ask both of you fellows this question."

Jai-Alai was an athletic game, as conducted in St. Bernard. I do not know whether you gentlemen of the committee have seen it or not. The Jai-Alai place had been devoted to these athletic contests.

Senator COUZENS. Was it a Japanese wrestling game?

Senator CLARK. It is a student's game, isn't it, played with racquets?

Mr. SULLIVAN. Yes, sir. They catch it in the basket, and they throw it against the wall. I was down there several times. It was very interesting, and they conducted the betting on the game, on the players, and I knew what it had been devoted to before, because I was there.

I said to Pro Thomas, whose name is Willis Thomas, "Do you and Kriss intend to gamble down there, or do you intend to conduct Jai-Alai?"

He said, "No; we intend to gamble."

I said, "Now, I know the Governor of this State, the man that is going to be Governor, and he is opposed to gambling, and I am strictly in accord with it; and I feel that it is my duty, since you have a piece of business in this office, whether you go through with this act of sale or not, you owe us a fee, you are going to pay your fee, so it means nothing to me, but I want to tell both of you fellows that you should not start a gambling institution in St. Bernard."

They said, "Well, we understand we can operate."

I said to them, "If you understand that—you cannot understand that, with the consent of the Governor."

"Now", I said, "I will demonstrate that to you. I will ring up the Governor."

And I rang up the Governor, and told the Governor that these two men were sitting by my side, and that I was reciting aloud to them everything that he said to me. They could hear what I said to him, that "I have told those men, as they have told me that they were going to gamble down there, that they should not do it", that this investment was over a third of a million of dollars, and ultimately the proceeds, the payment of that, could only come from the pockets of gambling, and that my advice to them was not to do it. I informed the Governor of this situation, and the Governor said, "Are you listening to them? Are they listening to you?"

I said, "I have them right here." I said, "They are waiting in the library to pass an act of sale. I have advised both of these men not to go along."

He said, "You have given them good advice."

"Now", I said, "if I were you folks, I would not go on with the transaction. According to what I know of this transaction, you came to me as an attorney, and you were recommended by Mr. Dabezies", who, at that time, was vice president of the Canal Bank & Trust Co.

I have a wire from Mr. Dabezies, here in my office, verifying that fact.

If I were you fellows, now—you have heard what the Governor said—

They said—

That is enough. We have deposited \$18,000—

They were to pay over \$37,000 that day.

You had better go and get that back—

and thereupon they called the deal off, left my office, and thanked me for the information that I gave them, in advising them not to go up against a game they were bound to lose their money in.

Shortly afterward—and I know nothing about this transaction—they got their \$13,000 back.

Now, Mr. Willis Thomas, with whom the transaction took place—

Senator CONNALLY (interposing). May I interrupt you? Who was Mr. Thomas?

Mr. SULLIVAN. Mr. Thomas, gambler in New Orleans. He was a gambler.

Senator CONNALLY. Oh, a gambler?

Mr. SULLIVAN. Yes, sir.

Senator CONNALLY. All right.

Mr. SULLIVAN. Mr. Thomas has made a sworn affidavit in connection with this matter.

Senator LONG. Well, now, I will object to his affidavit.

Mr. SULLIVAN. Let me—

Senator LONG (interposing). I object to Mr. Thomas' affidavit, Mr. Chairman. They can have Mr. Thomas summoned.

The CHAIRMAN. Go ahead. I think we have put in so much extraneous matter, it won't hurt to put in an affidavit from Mr. Thomas, if he has given one.

Mr. SULLIVAN. Mr. Thomas, on March 31, 1934—this charge, made by the Governor, false in every detail, had been made over the State of Louisiana, and many times denied by me. I sought Mr. Thomas out, just before coming here, and asked Mr. Thomas to go over the details of the matter, which he did, and Mr. Thomas addressed this letter to me, which is sworn to:

NEW ORLEANS, LA., March 31, 1934.

Mr. JOHN P. SULLIVAN,
Attorney-at-Law, New Orleans, La.

DEAR SIR: On the 17th day of April 1928, I placed with your office certain papers and documents bearing upon a title to the property in the square of ground located in the parish of St. Bernard, just below the Orleans Parish line, known as "Jai-Alai", the said papers, title, etc., being for the purpose of having you examine same and give your opinion thereon as an attorney-at-law upon their validity. This was at least 1 month before Huey P. Long took oath of office in the month of May, at Baton Rouge, La., as Governor of the State of Louisiana.

The professional work of your office attending the above took considerable time—at least 3 weeks—and I recall distinctly that all titles had been examined and all the work of your office had been completed, and I desire to say here that this work was attended to and pursued entirely by your associate, Mr. David Sessler. All parties connected with the transaction were assembled in the library of your office to pass title with your associate, Mr. Sessler, representing me in the transaction. I had already deposited to bind the sale the sum of \$13,000, prior to the time I consulted you in the transaction, and I came to you after making the said deposit on the recommendation of Mr. H. Dabazies, a vice president of the Canal Bank, and informed you of same and turned the papers hereinbefore referred to over to you for your professional attention, and on the day when all parties were assembled in your library to deliver full title of said "Jai-Alai" real estate and improvements to me you had been out of your office and happened in, shook hands with all parties present, went to your own private office, and sent a message to me that you would like to see me in your private office. When I entered your private office I brought Fred C. Kriss with me. He was one of my associates in the transaction, although the title was being taken in my name. You asked us if it was our purpose to continue the athletic contests known as "Jai-Alai" on the said premises that I was purchasing, and

I told you no, that we intended to use the place for gambling purposes. You told us that you were sure from statements made to you by Governor-elect Long that he would not tolerate gambling in St. Bernard.

I told you I was sure you were mistaken, and thereupon you called Governor-elect Long on phone and you detailed to him that you had advised us not to go on with this transaction, that it was bound to be a losing venture because he, the Governor, would close up the place, and you reminded Governor-elect Long that he had many times stated to you that he intended to do away with the conditions theretofore obtaining in the parish of St. Bernard relative to gambling and close up all such institutions. You further said to the Governor-elect that I, the undersigned, Willis C. Thomas, and Fred C. Kriss, were sitting just across your desk and that you were repeating for their benefit everything that the Governor-elect said, and that they had distinctly heard everything that you said to the Governor-elect, and the Governor-elect told you, as you repeated same aloud to us, that you had given us good advice and that we should not buy the "Jal-Alai" property aforementioned, because he would not permit me and my associates to gamble there or any other place in the State of Louisiana. The transaction aforementioned and the purchase of "Jal-Alai" would ultimately amount to an investment by me and my associates of over one third of a million dollars, and after listening to your talk to the Governor-elect Long, and after you repeated aloud what the said Governor-elect said over telephone I concluded, and my associated Fred Fred Kriss, concluded not to go through with the transaction, and you advised me and Kriss further not to make any attempt to gamble anywhere in Louisiana, because you sincerely believed that the Governor-elect meant what he said, namely, that he would not permit gambling in Louisiana during his term of office as Governor. Kriss and I thanked you for your advice, and I thereupon called the transaction off and took the risk of losing the \$13,000 that I had already deposited. However, within 2 weeks a man by the name of Brown took my place in the transaction, refunded me the \$13,000 that I had deposited, and before some lawyer other than you or your associate, and outside of your office, the said Brown took title of the said "Jal-Alai" premises and I was relieved from further responsibility.

I know that you have had no financial interest with nor have you been a partner of Fred C. Kriss or me in any gambling or other business.

That is signed by Willis Thomas, and is sworn to before my associate, David Sessler, on the 31st day of March 1934.

I have here a wire from New Orleans, reading as follows:

JOHN P. SULLIVAN,
New Willard Hotel, Washington, D.C.:

In April or May of 1928 Mr. B. Thomas came to the Canal Bank of which I was vice president and with which institution certain stock of Quintette Amusement Co. owners of the Jal Alai Fronton in St. Bernard Parish was held in escrow and told me that he was negotiating for the property and had already made a deposit on same and wanted certain information. I told him that he had better get his advice from a good lawyer as his contemplated investment was a sizeable one and question of title to land and so forth must be investigated. He had not retained attorney in New Orleans and on account of our mutual friendship I referred to him to you.

That is signed Hippolyte Dabezies.

Subsequent to that, I find another wire from Mr. Dabezies, addressed to me, on April 7, 1934, the first wire also being of date April 7.

I find the correct name of party wired you about today is Willis C. Thomas and not B. Thomas.

That is his right name, Willis C. Thomas.

Senator LONG. Now, I will ask you this question: You have read the affidavit and you state that you rang me up, about whether or not Mr. Kriss and Mr. Pro Thomas could engage in gambling in St. Bernard Parish, and that I told you they could not?

Mr. SULLIVAN. I didn't. I didn't say any such thing. I told you on the telephone that these men were here; that, a month or so be-

fore that they had deposited \$18,000 on a place where gambling had not been conducted, and that I had advised those men, as I had importuned you, during your campaign, to put gambling out of business in those Parishes, and you promised that you would, and that I told you on the phone at that time of this advice, and that these two men were sitting there, just as detailed in Willis Thomas' affidavit, and that they could not go on and gamble, and thereupon you told me that I had given them good advice.

Senator LONG. Let me ask you if I cannot refresh your memory on that conversation. I was in my office in Shreveport, was I not?

Mr. SULLIVAN. I don't know just where you were, but I know I talked to you.

Senator LONG. Wasn't your statement to me, over the phone, this:

I have a friend by the name of Kriss, who is the squarest gambler in this State, who wants to open up in St. Bernard. Will it be all right for him to make the deal?

Mr. SULLIVAN. No, sir; I never made any such statement to you. The statement I made is as I have detailed it, and as Willis Thomas has detailed it in his affidavit.

Senator LONG. You did not state that this was a square man?

Mr. SULLIVAN. No, sir.

Senator LONG. Squarest man handling the business?

Mr. SULLIVAN. No, sir; I knew nothing at all of his ability as a gambler, or in any other respect.

Senator LONG. All right. Now, did you ever again mention to me the name of Mr. Kriss?

Mr. SULLIVAN. I never again mentioned to you the name of Mr. Kriss, that I have any recollection of, whatsoever, and if you can bring the occasion out, or question me on it, I will be very happy to have you do so.

Senator LONG. All right. Following this, some months after I was—or, following this, sometime afterwards, considerable time afterwards, did you not tell me that you had told Mr. Kriss to go out and take his chances on the ridge?

Mr. SULLIVAN. I did not.

Senator LONG. You did not?

Mr. SULLIVAN. No.

Senator LONG. You did not tell me that Mr. Kriss had been to you and that you had told him to go out and take his chances?

Mr. SULLIVAN. No, sir.

Senator LONG. You heard the testimony of Mr. Fleming the other day?

Mr. SULLIVAN. Yes, sir.

Senator LONG. Where he stated I had told him certain things to do?

Mr. SULLIVAN. Yes, sir; I heard that testimony, that you had told him certain things about me.

Senator LONG. Yes. That did not happen?

Mr. SULLIVAN. How do I know what you told Fleming outside of my presence, or told anyone else? I am not going to be held accountable for any statements that you make.

Senator LONG. You deny, then, that you said to me that Mr. Kriss was going out on the ridge to take his chance?

Mr. SULLIVAN. Oh, absolutely.

Senator LONG. All right.

Now, it has been shown the newspaper here that Mr. Kriss was arrested in a raid that occurred on the 15th day of February 1929?

Did you notice that date?

Mr. SULLIVAN. If you ask me if I remember it, I have a recollection of some place that was raided, in Jefferson, and I want—

Senator HASTINGS. I asked, the other day, relative to whether Jefferson was operating at the time of the St. Bernard raid, which I asked you to make, in August 1928, and I state, now, that Jefferson was not operating at all at that time. The newspapers at that time show it.

Senator LONG. Now, the question I asked you I believe you have answered. Your answer is that you deny—no, the last question I asked you was, you remembered a raid. I produced the newspaper and offered it, here in the record, showing that raid to have occurred, on the 15th day of February. Now the record shows a special session of the legislature occurred on the 3d day of March, approximately 16 days after that raid.

Senator HASTINGS. That was the year 1929, Senator?

Senator LONG. Same year, same year; a 10-day session of the legislature, held in Louisiana, 16 days after the raid, and the arrest of this man, whom you say you were doing a friendly turn to, when you phoned me, to prevent him from buying the gambling proposition.

Did you not, beginning in that session, on March 3, appear on the scene, to have me impeached as the Governor of that State?

Mr. SULLIVAN. Not by reason of any law enforcement, because I have always been for law enforcement—

Senator COUZENS. Well, why don't you answer the question first, and then explain afterwards?

Did you or did you not appear, as the Senator asked you?

Mr. SULLIVAN. In Baton Rouge, during the impeachment, I was there, yes, sir.

Senator LONG. Doing all you could to impeach me as Governor of that State?

Mr. SULLIVAN. I was there, in consultation with other friends, who believed sincerely that you should be impeached as Governor of Louisiana.

Senator LONG. And up until the raid of February 15, 1929, 16 days before, you were sitting in my camp, and coming to my room, were you, Colonel?

Mr. SULLIVAN. No, sir. You had—

Senator LONG. Did you come to my room the morning after I raided and caught Kriss?

Mr. SULLIVAN. No, sir.

Senator LONG. You did not?

Mr. SULLIVAN. No, sir.

Senator LONG. You did not come there on that morning?

Mr. SULLIVAN. No, sir.

Senator LONG. And suggest that that money that had been seized, instead of being put into the States treasury, be deposited in a fiscal bank in the city, that next morning, on the 16th day of February?

Mr. SULLIVAN. I recall—

Senator LONG. Think close, now, Colonel.

Mr. SULLIVAN. I recall telling you, Colonel, when there was some question as to some suit being filed to recover the money that you had

taken—now, whether that was St. Bernard of Jefferson I don't know, but my recollection is distinct on this:

You can avoid that money being seized by shooting it over immediately into one of the fiscal depositaries—

and, I think, I named the Whitney Bank.

I would send it right over there and deposit it to the credit of the State of Louisiana.

Senator LONG. And they seized it in the Whitney bank, the day I landed it there, didn't they?

Mr. SULLIVAN. I do not know.

Senator LONG. You suggested, instead of throwing it in the State treasury, you gave me the kind information that I should put it in a New Orleans bank, and they seized it about the time it hit there, didn't they, and I never did get the money that was there, and turned over, that you seized, and turned over to you by the adjutant general of the State, and you were fearful that that money would be seized.

Mr. SULLIVAN. I said that as the Whitney bank was one of the big fiscal banks you could just as easily deposit it in that fiscal agency as to go to Baton Rouge.

Senator LONG. And I got my money seized, and never got it. That is the only time I ever took any advice, wasn't it?

The CHAIRMAN. Let us have order in the committee.

Mr. SULLIVAN. If that money was held, afterward, by decision of the court—and I think that there was a such a decision—

Senator LONG. Yes.

Mr. SULLIVAN. If that money was turned over by order of court as being illegally seized, it could have been turned over by order of court in Baton Rouge, under the laws of the State of Louisiana, the same as it was in the city of New Orleans, by order of the judge of the civil district court.

Senator LONG. As a matter of fact, Colonel—I don't want to get off the point; I don't want to leave the question that you had come to my room as late as the 16th day of February, before instigating impeachment, 13 days later. As a matter of fact, though, Colonel, what happened was that an impeachment started on me, with my hands and feet tied, with the attorney general assisting in it, you assisting in it, to where I couldn't even appear in court and fight that lawsuit when it came up?

Mr. SULLIVAN. I know nothing about that. The matter of your impeachment in Baton Rouge was brought about by acts of your own.

Senator LONG. Including this gambling raid?

Mr. SULLIVAN. Pardon me. No, sir; I had nothing at all to do with bringing any impeachment against you, or suggesting it, on account of any gambling raid, because I was against the intolerable conditions that I saw in the parish of St. Bernard, with women, with children in their arms, going up against brace games. I saw that down there. I have never been for that kind of stuff. I have fought that kind of stuff around New Orleans all my life, and all who know me know that that is correct. As I recall your impeachment proceeding, it broke overnight. It was said that you had crooked the voting machine, on a motion to adjourn. Whether that machine was crooked or not, I do not know, but I understood your speaker climbed out of the chair, and a member of the house went in and

kept the house in order, and thereupon the impeachment proceedings broke, and you were charged, in those impeachment proceedings, for one thing, with stealing \$1,200 of the State's money.

That was sent over to the senate, and instead of going to trial and facing the music, you had a round-robin signed, by which the chief justice of the State of Louisiana, presiding over that court, asked each senator who signed it, "Is this a fact, that you will not convict, no matter what the evidence may be?" And they answered, "Yes", and thereupon, instead of facing the music and defending yourself against the charge of stealing \$1,200 of the State's money, your impeachment ended.

Senator LONG. Now, you have answered. I will come to that. I am asking you if you did not appear on the scene 15 days after I had raided this man that you stated came to your office, undertaking to unseat me as Governor of that State.

Mr. SULLIVAN. I, in the meantime-----

Senator HASTINGS. Well, let us get an answer to that. Let us get an answer.

Mr. RIGHTOR. Yes or no.

Mr. SULLIVAN. As to the lapse of time, I am unable to say, but I was in Baton Rouge during the impeachment, and assisting in the impeachment.

Senator LONG. All right. You stated that you were in my room the morning after I raided Kriss, when you gave me the friendly advice where to put the money?

Mr. SULLIVAN. I did not say I was in there the morning after you raided Kriss. I said I remember telling you, when you expressed doubt as to the safety of the money, that the quickest thing to do, that you did not have to send it to Baton Rouge, to be deposited in the State treasury, that you, as Governor, could put it to the credit of the State in the Whitney Bank, one of the fiscal agencies.

Senator LONG. All right now. Were you ever in my room again after that morning?

Mr. SULLIVAN. I don't recall. If you will tell me what morning, I will tell you.

Senator LONG. I know. You were not there. After that, do you remember ever being there, after that morning? That is the last visit that Mr. John P. Sullivan ever made to Gov. Huey Long, isn't it?

Mr. SULLIVAN. I don't know.

Senator LONG. You won't say it wasn't the last visit, will you?

Mr. SULLIVAN. The last visit, as I recall it, that I made to your room was this. No, that wasn't the last visit. I made one visit to your room, when you ordered the new regular Democratic organization disbanded, and that was done the time that Mr. Maloney was there.

Senator LONG. That was before this?

Mr. SULLIVAN. I think that that was before; yes.

Senator LONG. And the last visit you can remember making to your friend, Huey Long, was the morning after he raided Kriss?

Mr. SULLIVAN. I will not say that, because I don't know, but I do know that subsequent to that time, when you demanded that I denounce Colonel Ewing, and broke with Colonel Ewing, and I refused to do so, that you thereupon removed every man that had

been appointed to office that I had recommended, and you began by removing the register of voters, McKay.

Senator LONG. Never removed him. He resigned.

Mr. SULLIVAN. What is that?

Senator LONG. I never did remove McKay. He resigned.

Mr. SULLIVAN. You mean you had an undated resignation?

Senator LONG. No, not from McKay.

Mr. SULLIVAN. How did he resign?

Senator LONG. He just quit.

Mr. SULLIVAN. Did he quit? That is not my recollection.

Senator LONG. Well, you look up and see.

Mr. SULLIVAN. I know that I was chairman of your board of supervisors, and I was removed. I know that members of the Orleans Levee Board were removed. Let us see. What number is that?

Senator LONG. He would have been removed, if he had not resigned.

Mr. SULLIVAN. Oh, there isn't any doubt about that.

The CHAIRMAN. We understand that.

Senator LONG. I know. I am just saving time.

The CHAIRMAN. All right. Let us save time.

Senator LONG. Now, you state—I want to show you that that did not affect any case that you had.

Mr. SULLIVAN. I have a note that Mike McKay was removed from office on February 26, 1929.

Senator LONG. No.

Mr. SULLIVAN. And now, that was the time you and I broke completely.

Senator LONG. No.

Mr. SULLIVAN. About that time, and that came after your Kriss raid.

Senator LONG. It came——

Mr. SULLIVAN. Pardon me. I am testifying.

Senator LONG. Yes.

Mr. SULLIVAN. And the reason that I broke with you, is the fact that you removed the people that I had recommended to you, from office, and refused to denounce and break with Colonel Ewing.

Senator LONG. Now, for your information, Colonel, the removals, according to your note there, Mr. Kriss—not Mr. Kriss, I beg your pardon; Mr. Mike McKay, who was the register of voters—ceased on February 26?

Mr. SULLIVAN. Yes, sir.

Senator LONG. That is 10 days after the raid on Kriss. Now, you go look up and you will find Mike McKay resigned.

Mr. SULLIVAN. Well——

Senator LONG. And that you were getting ready, on that day, for the meeting of the legislature, that assembled on March 3, to start impeachment against me.

Mr. SULLIVAN. Now, did the legislature assemble on March 3 that year?

Senator LONG. March 3.

Mr. SULLIVAN. What time? That was a 10-day session, you say?

Senator LONG. Called it for 10 days.

Mr. SULLIVAN. All right. What time did the impeachment proceedings break? Was it on the 3d of March or the 2d of March?

Senator LONG. They started the impeachment 3 days before we met.

Mr. SULLIVAN. Three days?

Senator LONG. You came by Litcher, La., with Colonel Ewing, in order that I might apprise you, and took up headquarters, on Sunday, when we met on a Monday.

Mr. SULLIVAN. I can say in good faith that I never came by Litcher, La., with Colonel Ewing. Colonel Ewing did not go to Baton Rouge with me for the impeachment proceeding.

Senator LONG. Did you come to Baton Rouge on a Sunday?

Mr. SULLIVAN. No. I came to Baton Rouge at nighttime, and by myself.

Senator LONG. Saturday night?

Mr. SULLIVAN. No; I won't say it was Saturday night. I came to Baton Rouge, when the house was held in session, and they began to investigate you.

Senator LONG. All right. Will you deny that you did not reach there before the legislature went into session?

Mr. SULLIVAN. Before the legislature went into session? I reached Baton Rouge while the legislature was in session, after the house had refused to adjourn, and put one of its own members in the chair, instead of your speaker. That is the time I reached there.

Senator LONG. All right, now. Let us run along, now. You have denied, then, that you knew anything about Kriss going out on the Ridge, and that that had anything to do with your activity, that these closeness of dates had nothing to do with it?

Mr. SULLIVAN. Oh, as far as your raiding any gambling house in the city of New Orleans, or in either of the parishes, that had absolutely nothing to do with any of my activities in your impeachment proceeding.

Senator LONG. Colonel, I believe you testified yesterday that you did not even know how to shoot dice. Just yes or no, please.

Mr. SULLIVAN. I don't know how to shoot. I have never been in a pool room or a handbook in the city of New Orleans or in the State of Louisiana, and I have never been in a gambling house in the State of Louisiana.

Senator LONG. Is it not a fact—this is in line with your testimony—is it not a fact that when we raided the place where we caught Kriss, that we found the dice there with certain numbers omitted, particularly a "six spot", off of one of them, and so loaded, in such a manner that they would throw two "ones", but could not throw "eleven" at all—I am going to show you I do know something about it—so that Mr. Kriss did know something about the dice business, whether you did or not?

Mr. SULLIVAN. Well, the fact is that I know nothing about it, and if there was any crooked dice, that you appear to be familiar with, I know nothing of the crooked dice.

Senator LONG. Those facts were published in the newspapers, the next day, weren't they, Colonel?

Mr. SULLIVAN. I can't say, after that, what was published in the newspapers. Of course, in many gambling houses, as I hear from the newspapers, there are crooked dice. There are crooked gamblers and straight gamblers. There are crooked politicians and straight politicians, crooked lawyers and straight lawyers.

Senator LONG. All right. In connection with your statement the other day, straight gamblers and crooked gamblers, did you not tell me that Mr. Kriss was a straight gambler?

Mr. SULLIVAN. No, sir; I have no recollection of telling you that Mr. Kriss was straight or crooked. From what I know of Kriss, I hear that Kriss is a straight fellow. That is all I know.

Senator LONG. Now, will you deny that you told me that he was a square gambler, when you phoned?

Mr. SULLIVAN. Why, I never told you a thing about Kriss being a square gambler, when I phoned. I wasn't interested in certifying to the character of anybody. I know nothing against the character of Kriss, nothing at all.

Senator LONG. Now, I want to ask you, Colonel, if, in connection with that impeachment, the matter came up, other charges made by me, which you said were untrue, that you had proposed a road company, of yourself and Mr. E. V. Benjamin, to handle the road funds of the State of Louisiana, that the people had voted?

Mr. SULLIVAN. That story of yours is absolutely untrue. You stated it all over the State of Louisiana, and I have denied it as many times.

Senator LONG. Are you a friend of Mr. E. V. Benjamin?

Mr. SULLIVAN. Mr. E. V. Benjamin and I have been friends for years. He presided at your banquet that we testified to the other day.

Senator LONG. No.

Mr. SULLIVAN. Mr. Benjamin was the chairman at the banquet.

Senator LONG. No.

Mr. SULLIVAN. Yes, sir.

Senator LONG. Your memory in that respect is as false as it is in others. He was not. He did not preside at the banquet. Mr. James P. Butler presided.

Mr. SULLIVAN. No; Mr. Benjamin presided at that banquet.

Senator LONG. No, you are just as bad in that, as your memory is in other matters.

Mr. SULLIVAN. Thank you, sir. My memory is much better than yours, though, as we will demonstrate before we are through.

Senator CLARK. I don't see any purpose to be served by the arguments between the witness and Senator Long.

The CHAIRMAN. I hope they won't argue.

Senator LONG. No, I want my questions answered. If they are wrong, I don't mind being objected to. I want to get them answered.

The CHAIRMAN. Ask your question, Senator Long.

Senator LONG. I think I am a fairly good "hill billy" lawyer. I am asking them as regularly as a lawyer can ask them. You issued a statement, Mr. Sullivan, did you not, in which you denounced that, as being untrue? Wait a minute. This is not the telegram.

Mr. SULLIVAN. I have them all here.

Senator LONG. Have you got the statements of yourself and Benjamin?

Mr. SULLIVAN. Yes, sure.

Senator LONG. Will you let me have them?

Mr. SULLIVAN. Yes, sure.

Senator LONG. I have them here, too, but I have misplaced them for the moment. Let me have them, please, sir.

Mr. SULLIVAN. Here they are.

Senator LONG. You have handed me, here, the report appearing in the Times-Picayune, which contained the charge that I had made, apparently, on the 5th day of April, since this is dated April 6.

Senator HASTINGS. What year is that?

Senator LONG. 1929, during the impeachment, in which I made the charge that—

Mr. SULLIVAN. That was after the impeachment.

Senator LONG. No, it was during the impeachment.

Mr. SULLIVAN. No, afterward.

Senator LONG. I know all about this.

Mr. SULLIVAN. All right.

Senator LONG. I sweated with it. [Reading:]

Governor Huey P. Long's charge, made at his mass meeting in Baton Rouge Thursday night, that his political break with Colonel John P. Sullivan resulted from his refusal to form a road company with Colonel Sullivan "to pick up a couple of million dollars in highway work" was emphatically denied Friday by Colonel Sullivan, who, in a brief statement, asserted that the charge is "without foundation in truth and fact."

The Long charge was further contradicted by E. V. Benjamin, who, according to Governor Long, "was ready to put up \$2,000,000 to back us in our road company." Governor Long said this statement was based on information furnished him by Colonel Sullivan.

The only company concerning which he had a discussion with Colonel Sullivan, says Mr. Benjamin, was one which he indicated he might be willing to form, with a capitalization of possibly \$200,000, provided it were a legitimate business proposition and free from politics. The proposed company would have been for the purpose of laying pavement particularly in New Orleans, said Mr. Benjamin; the matter was brought up only incidentally by Colonel Sullivan who said he had never undertaken such organization work; and the Governor's name was not mentioned in the discussion.

SULLIVAN DENIES CHARGE

I have read the newspaper account of Governor Long's speech at his Baton Rouge mass meeting of Thursday, April 4, declares Colonel Sullivan in his statement, and insofar as it refers to me I beg to say:

"I have never made or offered or discussed to or with Governor Long any proposal that he become financially or otherwise interested in a road contracting company organized or to be organized by me. I have not organized or tried to organize such a company. Governor Long's statement is without foundation in truth and fact."

Mr. Benjamin's reply to the Governor's charge, in which his name was mentioned, follows:

"Early in the month of November 1928, or perhaps the middle of November, Colonel Sullivan came to my office and told me the Governor had asked him to ask me to see a certain gentleman and try to induce this gentleman to accept an appointment which the Governor intended to offer. I told Colonel Sullivan I would be very glad to be there, but I did not feel my acquaintance with this gentleman was such that I could induce him to accept such an appointment if he did not care to do so, but I would see him.

"A short time before this there was an article in the newspapers of Governor Long's comment on gravel roads, stating that the dust from gravel roads was dangerous to health and was the dissipation of road material and that gravel roads were very unsafe, etc.

"Just before Colonel Sullivan came into my office, I was looking over a file of correspondence from various highway commissions in the northern States regarding the use of calcium chloride for the conservation of gravel roads for the laying of dust and for making gravel roads safe for traffic."

"INFORMED COMMISSION

"Prior to this I had taken this matter up with the highway commission and stated to them that I could manufacture calcium chloride at one of my plants and sell it to contractors or to the highway department at a much lower price

than it could be bought from any other market. The Myles Salt Co. has taken this matter up with Chief Engineer Floury, (that should be Formey) and I asked Colonel Sullivan if he would interest himself in this matter for the purpose of giving my material a fair chance in competition for use on the highways of Louisiana.

"While discussing the use of this material on highways and roadways generally, Mr. Sullivan casually mentioned to me that the representative of a paving material had called on him just the day before and inquired of him if he could locate sufficient capital to promote a paving company which would use the material of this company, and Mr. Sullivan said he had never undertaken such organization work and he inquired if I would be interested in such a matter, and I told him if it was a legitimate proposition and free from politics, I believed such a company could be created in New Orleans to the extent of maybe \$200,000, which was the amount Colonel Sullivan had in mind, such a company when formed to do general contract work in the laying of pavement, particularly in the city of New Orleans. At no time, during this discussion was Governor Long's name mentioned."

Senator LONG. If you have no objection, I would like to have all of the statement, and you can make whatever explanation you wish of your denial that there was any discussion with me to go into a road deal, and Mr. Benjamin's statement that you did have a conversation.

Mr. SULLIVAN. Governor Long was very much interested about the 20th or 24th of November in having Mr. Burnie Williams, one of our very wealthy and influential citizens, and now vice president of the Whitney Bank of New Orleans, become a member of the dock board.

Senator HASTINGS. In 1928?

Mr. SULLIVAN. In 1928; yes, sir.

Senator CONNALLY. Before he became governor?

Mr. SULLIVAN. No, sir; he was governor then.

Senator HASTINGS. In May?

Mr. SULLIVAN. He was inaugurated in May. Governor Long had had some interviews with Mr. Williams and Mr. Williams was not set to go. I was merely interested in seeing Mr. Williams accept that appointment, because he was an outstanding business man, and because the port means everything to New Orleans. When the Port of New Orleans is doing business, New Orleans is doing business. The people of New Orleans live and breathe through the business of the port, and on the occasion of Burnie Williams' last visit to Mr. Long and Mr. Long's suggestion, he was not satisfied that he would accept.

Governor Long asked me if I knew anyone that could influence him to accept. I said, "Yes, I know a very good friend of his. I know E. V. Benjamin." He said, "For goodness sakes, go to him right away and ask him to have him suggest it to Mr. Williams." I phoned to Mr. Benjamin. Mr. Benjamin was head of the McGinness Mills, and also the head of the salt works. I said to Mr. Benjamin "I am coming up to see you on a message from the Governor. He wants you to do something." And I explained my mission about Williams when I went to Benjamin. Knowing that I came from the governor, Mr. Benjamin said, "I practically control the Myles Salt Works, and calcium chloride has been specified in the specifications for most of the staple highway departments of this country, and I would like to have it included in the specifications, and if you will kindly see the Governor—I am not asking any favors, if the Governor will simply stipulate it, I will have an opportunity of bidding against what he called the trust or the combination, and I think I can sell it at about \$10 under them. If I do that, that will make another industry for Louisiana, and I will put \$100,000 or \$200,000 into a calcium chloride plant." He said, "You know there is going to be

a lot of paving done in the State of Louisiana, and I would like to have this specified. It will give me an opportunity to bid." I said, "Yes, there is going to be a whole lot. There is a lot of paving men come in here." I said, "Having been a paving-company attorney at one time and represented the Granitoid Co. in this city, and other cities." I maintained their patent rights. I said, "This fellow has come in and wants me to organize a \$200,000 company, and perhaps there is something in it for you. I want none of it. I finished my paving-company connections as a paving-company lawyer many years ago. I have no desire to go into it any further."

That was the conversation with Mr. Benjamin, and I simply forgot the incident. Mr. Benjamin on the 24th of November, 1928—and after a lapse of years I just found it the other day—he wrote me a letter:

Enclosed are some more letters on the use of calcium chloride. Since these letters were written, we know it has been used on the gravel roads. The city of Bogalusa has used it, and Mr. Terry of the Ponchatrain Bridge Co. can tell you what a wonderful thing this is, not only to lay the dust but to conserve the road. I am getting more information on the use of this material. Dust, as you know, is only a dissipation of road material as well as a detriment to health, and calcium chloride is a great thing to hold the gravel and thereby prevent accidents. I assure you there is no foolishness about this proposition.

And signed, "E. V. Benjamin."

And then follows recommendations from the various highway departments and specifications from the State of Illinois and other States.

I went back to Governor Long—whether it was the same day or the day after that I received this letter—and told him that Mr. Benjamin would see Mr. Williams, and that he had this request to make, that calcium chloride be included in the specifications so that he would have an opportunity to bid and I said, "Benjamin is a very good friend of mine." I said, "While I was there, he remarked that there would be a lot of paving and I told him there was a paving man in to see me and he had some asphalt concern that he wanted me to organize, a \$200,000 corporation, and I told him the only place that asphalt was good for in my judgment was in the city of New Orleans," and that is in Mr. Benjamin's statement particularly in the city of New Orleans, and I had always told the governor, "Use nothing but concrete, because there are no patents on it at this time, and the low man is bound to get the work who can make a bond." That is all that I said to the governor upon the occasion. That was in the month of November.

April 4, nearly 4 months afterwards, the governor broke out with an attack on me and added three ciphers to the \$200,000 proposition that Benjamin and I had talked about and charged me with trying to interest him in a paving company, which charge was absolutely false.

Senator LONG. You deny in your statement that I have read to you not only what you have just testified, that you denied what Benjamin wrote, if I correctly read this telegram which you so kindly handed me as giving your statement: "I have not organized or tried to organize such a company." You now say that there was a company that you did figure with Mr. Benjamin?

Mr. SULLIVAN. Oh, no; I have never said any such thing. My statement there stands, and I have made no statement that I figured

with Mr. Benjamin. When Mr. Benjamin said, "There is going to be a lot of road work in the State of Louisiana", I said, "Apparently, having been an old paving-company attorney lawyer, these fellows come in to see me, they know of my former connections. A fellow was in yesterday and wanted to organize a \$200,000 company. So if you are going to be interested, here it is." Further, I had no connection with it and wanted no connection with it.

Senator LONG. See if I cannot refresh your memory, since you and I at least, we will say, disagree on the facts. Didn't you come to me first with the proposition of the paving-road company? And didn't I tell you that we could not have it, and didn't you go back and after the lapse of, say, 10 days or the lapse of some several days, didn't you come back and tell me that Mr. Benjamin had decided or that you and Mr. Benjamin, whichever way you take it, either you and Mr. Benjamin or Mr. Benjamin had decided to go ahead with the road-contracting company anyway?

Mr. SULLIVAN. I made such a statement?

Senator LONG. Did you?

Mr. SULLIVAN. No, sir.

Senator LONG. You did not. You did not come back the second time?

Mr. SULLIVAN. No, sir.

Senator LONG. You deny that—

Mr. SULLIVAN (interrupting). I never discussed roadway pavement with you except as I have stated at that one time.

Senator LONG. And the statement of Mr. Benjamin, in so far as it is in conflict with yours, is also not correct?

Mr. SULLIVAN. The statement of Mr. Benjamin is not in conflict with my statement at all.

Senator LONG. You have stated that I added three noughts to the transaction. You mean one nought—\$200,000 and \$2,000,000.

Mr. SULLIVAN. There is quite a difference.

Senator LONG. One nought. And you claim now that there was a \$200,000 project.

Mr. SULLIVAN. No. I do not claim there was any project at all. I told you that the man talked to me about that, an asphalt man, and I told him that I was not interested and would not be interested.

Senator LONG. You had been, as I understand it, attorney for a paving company before?

Mr. SULLIVAN. I had, and years before I knew you represented paving companies.

Senator LONG. When I became the Governor of Louisiana—

Mr. SULLIVAN (interrupting). I represented one paving company, to my recollection. That was the Rudolph S. Blome Co. of Chicago.

Senator LONG. And when I became Governor of Louisiana, the parishes were bonded, where over 61 million dollars had been spent for gravel and pavement with less than, we will say, to put a figure, with less than anything like 100 miles of first-class roads in the whole State. That is true, isn't it, Mr. Sullivan?

Mr. SULLIVAN. I had never had any interest in any State or highway pavement in the State of Louisiana at any time, before or after or during your administration.

Senator LONG. What had become of the paving company that you had represented?

Mr. SULLIVAN. The only paving company that I represented was the Rudolph S. Blome Co., who had done work in Mobile, in Calgary, Canada, in Birmingham, and other cities. Their work was purely city work.

Senator BARKLEY. Those were streets laid by the city?

Mr. SULLIVAN. Those were streets ordered by the city government. Contracted by the city government.

Senator BARKLEY. And had no connection with the State?

Mr. SULLIVAN. None whatsoever.

Senator BARKLEY. Did you have any interest in those companies, or did you represent them as an attorney?

Mr. SULLIVAN. I was purely their attorney.

Senator LONG. What year was that that you represented that paving company?

Mr. SULLIVAN. I imagine away back in 1908 to about 1912 or 1913 or 1914. There may have been other companies in the City of New Orleans for city work that have come in and consulted me on some questions of paving law as I was quite an authority, because I studied the laws and knew them as a part of my law work.

Senator LONG. You were in politics there in 1908 and 1914, were you not?

Mr. SULLIVAN. I was only in politics in a minor way. I used to like to go around and make a speech at the meetings, and I used to like to go to the polls on election day.

Senator LONG. In the years 1908 and 1914 you were also in politics and an attorney for a paving company?

Mr. SULLIVAN. I was not--no. During 1912--I may have been for three or four years around there; yes, sir, at that time.

Senator LONG. And in 1928 and 1929, you were also in politics, and that was in connection with the paving business that you have just mentioned?

Mr. SULLIVAN. No, I was never in politics in connection with any paving business in 1928.

Senator LONG. Now, let us see if we can get together on another line that you may deny. Have the persons that are connected with the work of the Internal Revenue Department been in your office in the last several months?

Mr. SULLIVAN. What persons do you mean?

Senator LONG. Well, particularly such men as Mr. Burford and Devine.

Mr. SULLIVAN. Mr. Burford has come to me on many times, and also Mr. Devine.

Senator LONG. Have others?

Mr. SULLIVAN. I don't recall anyone else other than Mr. Burford and Mr. Devine.

Senator CLARK. Who is Mr. Burford and who is Mr. Devine?

Mr. SULLIVAN. Mr. Burford, as I understand it, is the head of the intelligence department of the Internal Revenue. He has no connection with the collector's office at all. His department is separate and distinct. It works out of Washington.

Senator CONNALLY. Investigating?

Mr. SULLIVAN. Investigating; yes, sir. Delinquents and people who have defrauded the Government out of income tax. Mr. Burford has come to me on several times and also Mr. Devine.

Senator BARKLEY. Are they both in that intelligence service?

Mr. SULLIVAN. Yes, sir. I think that Mr. Devine represents the agent—as I understand, the Internal Revenue Service organization, there are collectors in each district. Mr. D. D. Moore is the collector for the internal-revenue district of Louisiana. Above him, with no authority over him not connected with him, is an agent. I think that man's name is Miller, is that correct?

Mr. MOORE. Yes.

Mr. SULLIVAN. He has the right to go down and select documents and go out and investigate and bring in increased internal-revenue returns. Above that are the men that work out of Washington. That is the organization that I think Mr. Burford is connected with.

Senator LONG. They are sent down as an intelligence service to add to the service of Mr. Moore's office.

Mr. SULLIVAN. That has nothing at all to do with Mr. Moore's office and no connection with it whatsoever.

Senator LONG. They are both collecting internal revenue.

Mr. SULLIVAN. No. That is incorrect. The intelligence service does not collect any internal revenue at all.

Mr. MOORE. They have an office in New Orleans in the Post Office Building, entirely separate from my office, and nothing to do with it.

Senator LONG. You stated Mr. Burford and Mr. Devine. How many others have been to your office in that matter?

Mr. SULLIVAN. I don't recall. If you will give me any other names, I will tell you if they have been there or not.

Senator LONG. Haven't there been such others?

Mr. SULLIVAN. Not that I can recall at this time. If I can think of any others, I will let you know.

Senator LONG. They have been in your office a considerable length of time, haven't they?

Mr. SULLIVAN. No.

Senator CONNALLY. Just for information. This Burford and Devine. Is that secret service?

Mr. SULLIVAN. Yes, they are all secret service.

Senator BARKLEY. They are all civil-service employees?

Mr. SULLIVAN. Yes, sir; all civil-service employees.

Senator LONG. Mr. Sullivan, you have had these men in your office a number of times?

Mr. SULLIVAN. I have never had those men in my office. Those men have called at my office several times seeking certain information about certain people.

Senator LONG. And you have been in connection with these gentlemen in the course of an income-tax investigation that is on in Louisiana?

Mr. SULLIVAN. Will you repeat the question?

Senator LONG. You have been in connection, you have testified in the last answer that you gave. Read that answer, that last answer.

(The stenographer reads the answer, as follows:)

I have never had those men in my office. Those men have called at my office several times seeking certain information about certain people.

Senator LONG. What people?

Mr. SULLIVAN. Mr. Devine has been there several times. When I was chairman of the board of directors of the Louisiana Jockey Club at the fair grounds, he has come in and asked if I knew such and such

a horseman. I would say yes. He said, "What purses have they earned?" I have referred him out to the fair grounds. I said, "I think those folks work at the fair grounds." I said, "Go right out and see the bookkeeper." Even since I have been out of the fair grounds, since Colonel Bradley and I sold our interest in the stock of the fair grounds, Mr. Devine has come to me several times in certain inquiries along those lines, and I have referred them to the man who is out there at the fair grounds now.

Senator LONG. Haven't you been particularly conferring with these men, and haven't they been to your office time and time, conferring with you particularly in regard to people who were supposed to have been friendly to Huey P. Long or who had been interested in his State work?

Mr. SULLIVAN. No.

Senator LONG. You have not?

Mr. SULLIVAN. No.

Senator LONG. You deny that you have made statements to that effect, do you?

Mr. SULLIVAN. I do not deny that I made any statement to any effect, and I will meet each statement as it is brought up. Bring any specific statement and I will tell you.

Senator LONG. Didn't you tell Mr. Harry Holden, a gambler in the city of New Orleans when you returned from Omaha, Nebr., that you were going to have D. D. Moore appointed internal revenue collector, and that you were going after certain friends of Huey Long?

Mr. SULLIVAN. When I returned from where?

Senator LONG. Omaha, Nebr. Did you go to Omaha, Nebr., lately?

Mr. SULLIVAN. No.

Senator LONG. We will say Washington.

Mr. SULLIVAN. No. You had better take another place. [Laughter.]

Senator LONG. Have you seen Harry Holden in the last 6 or 8 months?

Mr. SULLIVAN. Not that I recall. I may have met Harry Holden on the street and shook hands with him.

Senator LONG. Didn't you tell Mr. Holden that you were going to have Mr. Moore appointed collector of internal revenue and that you were going after certain persons in New Orleans, particularly Mr. Seymour Weiss?

Mr. SULLIVAN. I not only did not tell that to Mr. Harry Holden, nor did I tell it to anyone else.

Senator LONG. Didn't you confer with Mr. Burford about Mr. Seymour Weiss?

Mr. SULLIVAN. I have no recollection of that.

Senator LONG. Did you confer with Mr. Devine about Mr. Seymour Weiss?

Mr. SULLIVAN. I have no recollection.

Senator LONG. Didn't you confer with him about Mr. Robert Maestri?

Mr. SULLIVAN. I have no recollection of conferring with him about Mr. Robert Maestri.

Senator LONG. And didn't you go so far as to say that a gentleman by the name of Leon Weiss, who was the State architect on the State

capitol which was built in Louisiana, that you expected to have him squealing soon?

Mr. SULLIVAN. No. I have made no such statements because I knew nothing about Mr. Weiss, Mr. Leon Weiss. All I know about Mr. Seymour Weiss and Mr. Leon Weiss and others is purely hearsay, such as has been discussed upon the streets of the city of New Orleans for the past year or so, because long before this present administration came into office, Mr. Burford and his people, during the regime of President Hoover, those people were down in New Orleans doing work, and at any time they came and asked me any questions about anything that I knew about anybody, that I could consistently give them, I did so, because being law officers of this Government, if not privileged, information that I as an honest citizen can give to them, I always give it to them, because I believe in everybody making square returns on their income taxes. I always overpay my income tax, and I have nothing to fear from the Government on that.

Senator LONG. Then you state that you have given those gentlemen any information that you could consistently give them as a good citizen of the United States?

Mr. SULLIVAN. Yes.

Senator LONG. I will ask you again, Have you in connection with that conferred with them, either before Mr. Roosevelt took office in March 1933, or at any other time in regard to either myself, Seymour Weiss, Maestri, Leon Weiss, or any other person?

Mr. SULLIVAN. I have never conferred with them. It may have been that during the visit of Mr. Burford to my office, and never at any time with Mr. Devine, that some questions may have been asked about different people. It may have been about Mr. Seymour Weiss or about Mr. Leon Weiss or about anyone else; but there was no information that I could give them on that score, because I had no information of my own knowledge. If I had any information of my own knowledge and could point it out about you or anyone else, I would consider it my duty to give that information out.

Senator LONG. Did you not tell one of these gentlemen or several of them that you had been apprised of a profit made on the purchase of road machinery of some \$200,000?

Mr. SULLIVAN. Road machinery in connection with whom?

Senator LONG. In connection with my administration of the State of Louisiana.

Mr. SULLIVAN. What individual made it?

Senator LONG. Did you not state—I am asking you the question if you did not state that some of the people connected with Huey P. Long's administration, some of his political friends, who had been reported that they had not reported their income and had made a profit of over \$200,000 on road machinery.

Mr. SULLIVAN. No; I have no recollection of stating that anybody had made a profit of over \$200,000 in road machinery. I have stated, not as authoritative, but purely as a matter of discussion and gossip with people that I have met, that certain people in your administration did clean up over \$100,000 on road machinery, and whether there was anything in that statement or not I don't know, because anything that happened in your administration that anyone may complain about as to illicit details or transactions, I was not a part of your administration.

Senator LONG. You did then vouch the information instead of its being \$200,000, you gave these men, whatever they may be called, connected with the Intelligence Department of the Internal Revenue Office or organization, that they had made a profit of over \$100,000?

Mr. SULLIVAN. You do not have to tell those men anything when they are out investigating. I would rather have 10 wildcats after me than one of those men after me. They know what they are about.

Senator LONG. I am just asking you—I am not saying about you don't have to tell them. You now admit having spoken about the matter, using the figure of \$100,000.

Mr. SULLIVAN. I will not admit that, because I have no recollection of discussing that. I know that in the streets of New Orleans, because everybody has the gossip about your department and the manipulation of your highway department and the things that went on there. I have discussed those things several times, but I have never made any charge against any living mortal about things I don't know anything about.

Senator LONG. When is the last time that Mr. Burford or Mr. Devine was in your office that you know?

Mr. SULLIVAN. Mr. Burford has not been in my office in quite a long time, nor has Mr. Devine, to the best of my recollection. The last time I saw Mr. Burford was when I shook hands with him in the lobby of the St. Charles Hotel some few weeks ago.

Senator LONG. I will ask you if you did not go so far as to have Mr. Burford make inquiries to find out how much money Mr. Robert Maestri had loaned me in connection with this investigation?

Mr. SULLIVAN. No; I did not.

Senator LONG. You did not?

Mr. SULLIVAN. No.

Senator LONG. You did not ask people?

Mr. SULLIVAN. Ask people to do what?

Senator LONG. In the presence of Mr. Burford, as to how much money, if any, Mr. Robert Maestri had loaned Gov. Huey P. Long.

Mr. SULLIVAN. Mr. Maestri made no secret of how much money he loaned you, as I understood it. I did not have to ask anybody about that.

Senator LONG. Mr. Maestri is a pretty reliable gentleman, isn't he?

Mr. SULLIVAN. I don't know anything against Mr. Maestri. I am not here for the purpose of giving out any information as to the good character or the bad character of anyone.

Senator LONG. Now, Mr. Sullivan—

Mr. SULLIVAN (interrupting). I know Mr. Maestri; since you ask me, he is your conservation officer, he is your constant companion I may say, at dinner, when you are at New Orleans. I know that he and Mr. Figgerio—and I am not making any complaint against those men—that they are the principal shareholders of the Jefferson Park race track that is located within 20 minutes or so of the St. Charles Hotel or the Roosevelt Hotel, and they are not only interested there, but they are interested in Collingswood, which is the East St. Louis track, of which Mr. Figgerio is the superintendent, and Mr. Figgerio is also the superintendent of the track in Aurora.

Senator LONG. Does Mr. Figgerio hold any office in my administration?

Mr. SULLIVAN. In your administration? No; but he is a race-track man.

Senator LONG. He holds nothing in my administration, does he?

Mr. SULLIVAN. Not that I know of, sir; and I am making no complaint against him. Do you want to show me a telegram?

Senator LONG. Just a question first. What kind of a check did Mr. Bradley give you for this \$5,000 that you got?

Mr. SULLIVAN. Mr. Bradley did not give me any check at all.

Senator LONG. He did not give you a bank check?

Mr. SULLIVAN. No, sir; he gave me cash.

Senator LONG. There was no bank transaction to trace that? That was a cash transaction?

Mr. SULLIVAN. That was a cash transaction; yes, sir. The giving of that money to me. I will explain the circumstances, if you so desire.

Senator LONG. I will ask you, so that you can do all the explaining that you want to. Just let me ask you another question. I want to ask you whether or not after the campaign was all over, you remember the incident which I will disclose as related in this telegram from Mr. Maestri [reading]:

There was a surplus left from campaign funds after your election as Governor in 1928 with which an automobile was bought for you. Mr. Sinclair Adams gave \$500 and a couple of your other friends put up the small difference.

ROBERT S. MAESTRI.

Do you remember the purchase of an automobile?

Mr. SULLIVAN. I remember that automobile and I also know this distinctly, that there was never any surplus from your campaign, and that that automobile was presented to you on the subscriptions, and not out of a campaign fund.

Senator LONG. Who made the subscriptions?

Mr. SULLIVAN. I was not in on it. I don't know I cannot account for it.

Senator LONG. Then how do you know that it was made by subscription?

Mr. SULLIVAN. Because it was notorious at the time. I say "notorious" in the sense that everybody knew it.

Senator LONG. Who besides Sinclair Adams that you know of, gave a dime?

Mr. SULLIVAN. I don't know.

Senator LONG. You did not give a dime?

Mr. SULLIVAN. I don't think I was asked to. I may have been asked.

Senator LONG. No; you never gave a dime and you were never asked. Now, I will ask you the name of a single soul in the world that you can give and submit in this record at any time, a single soul that made any subscription to it except as reported here in this telegram.

Mr. SULLIVAN. I know this: That nobody else had charge of your campaign fund in that campaign that either Mr. Robinson or I knew anything about. The only campaign fund that we knew was the campaign fund that was handled by me, and I do know that that automobile did not come out of a campaign fund. That it came out of subscriptions, and after a lapse of 6 years, to come in and ask me who contributed in a matter that I did not handle, I say to you

candidly I don't know, but I do know that it was made by subscription and not by your campaign fund, and I do know that at the time that Colonel Bradley gave the \$5,000, that your campaign fund was absolutely broke, and you knew it.

Senator LONG. I understand that I asked you, according to the testimony, to get Mr. Bradley to give this money?

Mr. SULLIVAN. Yes.

Senator LONG. When?

Mr. SULLIVAN. Right after your election, when we were broke and did not have anything.

Senator LONG. When was that?

Mr. SULLIVAN. That was some time in the month of March. You were being harrassed for bills yourself.

Senator LONG. This was in the month of March?

Mr. SULLIVAN. It may have been in the month of April. Carbajal said yesterday that during the campaign that he asked that I obtain a subscription from Colonel Bradley and I said "No; I won't do that." I said, "He does not live in the State." It was at the time that Colonel Bradley was on the way back, and you knew Colonel Bradley was coming.

Senator LONG. I knew he was coming?

Mr. SULLIVAN. Yes, sir.

Senator LONG. And I asked you to get Colonel Bradley to give \$5,000?

Mr. SULLIVAN. Yes, sir.

Senator LONG. And he gave it in cash?

Mr. SULLIVAN. He gave it in cash. He took it out of his money belt.

Senator LONG. Had he given you money in other campaigns?

Mr. SULLIVAN. Colonel Bradley had never put up a cent in any campaign in Louisiana in his life, and he refused while that campaign was on. In fact, I never asked him while the campaign was on.

Senator LONG. Did he ever put up any money in any other campaign?

Mr. SULLIVAN. In the city of New Orleans?

Senator LONG. In the State of Louisiana?

Mr. SULLIVAN. No. With a good reason why he should have helped, in my judgment. You first tried to get me to support you for governor in the Broussard campaign, the Broussard-Sanders, when I supported Broussard. You were also supporting him. You left New Orleans one time in the middle of that campaign and went away and stayed away 2 weeks so as to compel all of us to come in and say that we would support you for governor. I told you that I would not pledge my support to you.

Senator LONG. Go ahead.

Mr. SULLIVAN. What subject was I on? [Laughter.]

Mr. SULLIVAN. Oh, yes. I was the chairman of the city campaign committee on that occasion, and those funds were handled exclusively by the chairman of the city campaign. Finally when 1928 came along Colonel Ewing asked me to support you. I told Colonel Ewing that I did not want to support you, that in my judgment I did not think that you were the man to be the Governor of the State, and Colonel Ewing after many importunities agreed that if we could get Congressman Aswell to run, we would so do. He was sought to run and agreed,

then he changed his mind. Colonel Ewing went back to support you and I went back with him. I had full charge out of the city of New Orleans of your Alexandria meeting.

Senator LONG. Just before you leave that. When did I ever ask you to support me for Governor?

Mr. SULLIVAN. You asked me in your room in 1926 in the Broussard-Sanders campaign.

Senator LONG. Who was there?

Mr. SULLIVAN. You and I.

Senator LONG. Just you and I?

Mr. SULLIVAN. You and I were there—if there was anyone else hidden in the closet, I don't know.

Senator LONG. There was no one else there that night.

Mr. SULLIVAN. I stated that. It was during the day and not at night. You had sent for Paul Maloney at the same time, and others, to come upstairs.

Senator LONG. 1926?

Mr. SULLIVAN. 1926. At the time you tried to round everybody up. You tried to round up Broussard, but he refused. Edward Broussard, he refused to pledge for you for governor at that time.

Senator LONG. This was in Broussard's election?

Mr. SULLIVAN. At the time that you ran out for 2 weeks, and it was so that you would have everybody begging you to come back. I said, "Let him go. Let him stay away. We will get along without him."

Senator LONG. Your facts are so far at variance with everything that I remember—

Mr. SULLIVAN (interrupting). I understand you are a very facile man.

Senator LONG. As I understand, as a matter of fact, let me ask you this, which will indicate my position in the matter. The first time I ever discussed your supporting me for Governor was the time that I went to your office alone and told you that I heard that on the preceding night that you had said that this fellow from Shreveport was going to be the Governor and I said to you, "Don't declare for me at this time, because certain parties that I am trying to get hold of, if you do, we cannot get men like Mr. Harvey Ellis and others, and keep them long enough to be able to hold them if you declare for me now."

Mr. SULLIVAN. No; that is not what it was. I have told you what it was. I say that you said, "Don't declare for me because I want Carbajal to put up a lot of money." You said, "You let me induce you to support me, and I want this fellow to put up \$100,000 for this campaign. I will allow him to be the man that will bring you over." That was your scheme. That was how you work.

Senator LONG. Your scheme was that you should not come out—

Mr. SULLIVAN (interrupting). It was no part of any scheme. Everybody around there but Carbajal knew that I was supporting you for Governor.

Senator LONG. As a matter of fact, that was the first time I ever discussed your supporting me for Governor, wasn't it?

Mr. SULLIVAN. No, no. No, in 1926 you begged me to support you for Governor.

Senator LONG. I guess I begged you in 1924.

Mr. SULLIVAN. In 1924?

Senator LONG. Why don't you just include that?

Mr. SULLIVAN. I did not know you in 1924.

Senator LONG. Yes, you did.

Mr. SULLIVAN. No, I never laid eyes on you—yes, I had met you in Baton Rouge. That was the only time I met you.

Senator BARKLEY. Mr. Chairman, this is going to be going a long ways afield.

The CHAIRMAN. We are going to close this hearing this morning.

Senator HASTINGS. Mr. Chairman, let us inquire of Senator Long how much longer he is going to cross-examine.

Senator LONG. I have concluded.

The CHAIRMAN. Any further explanation?

Mr. SULLIVAN. Now, Senators, if you wish an accounting—I heard Mr. Robinson the other day on the witness stand make the statement that he did not remember any of these bills. I sympathize with Mr. Robinson because as I sat there and heard him make statements, I could not just at the time recall any bills that were due at the time and my mind at that time was a kind of a blank. I have never kept check on a single man that ever ran for office. I have never gone out and betrayed any campaign secrets. However, when this condition arose, I got in touch with my office in New Orleans and I was simply fortunate. I am able to demonstrate to this committee where I paid out Colonel Bradley's \$5,000 at a time when Senator Long says there were no bills due, no bills due at all. Beginning April the 13th, that I paid the bills of the Long headquarters, and I can account for everything to the penny at this moment.

Senator LONG. You can account for bills that the Long headquarters paid?

Mr. SULLIVAN. No; I can account for bills that I paid.

Senator LONG. And swear that there was no money besides Bradley's money?

Mr. SULLIVAN. I will say at that time there was no money except Bradley's money that I paid these bills.

Senator HASTINGS. Have you a list of them?

Mr. SULLIVAN. Yes; I have the list of the bills and the checks that I paid with.

Senator HASTINGS. Mr. Chairman, I think that would add very much to Mr. Sullivan's testimony.

Senator LONG. I have no objection to his offering that. I just simply ask—

Mr. SULLIVAN (interrupting). You made the statement—

Senator LONG (interrupting). I simply ask at this late date to be allowed to furnish some rebuttal in connection with it.

Mr. SULLIVAN. I think I heard Senator Long say, "I think I was in Washington at that time."

Senator LONG. I was here on the 20th.

Mr. SULLIVAN. Yes. And you checked out on the 22nd.

Senator LONG. Didn't you ring up the Mayflower Hotel the morning before Bradley testified, to find out that date?

Mr. SULLIVAN. No, I did not.

Senator LONG. When I rang up there the other day they said, "We have already given this information."

Mr. SULLIVAN. May I have Mr. Robinson's assistance to come here just one minute?

Mr. RIGHTON. You don't need that.

Mr. SULLIVAN. First of all, I have a letter from Mr. J. T. Prowell of date February 23, 1928, addressed to me in which he said, "Under the agreement between the Wilson, Simpson, and Long forces, it was provided that each one should pay one third of the expenses of the committee which sat in the Roosevelt Hotel on election day"—and he asked me to send him a check for \$44.25. I said to him that the exchequer is without funds at this time. The letter states:

The exchequer is without funds at this time. However, the bill will be filed for future reference with the list of unpaid bills, and should we ever be able to raise the money, you may expect reimbursement of the \$44.25, which doubtless you will take care of pending the final determination of the subject-matter of your letter.

Senator HASTINGS. Let me see that list, will you?

Senator LONG. And when you get through, I want to see the list.

Senator HASTINGS. Mr. Chairman, in view of the fact that I suggested that I would like to have those in, but also in view of the fact that it will make the record so large, it seems to me it might be sufficient for the committee to examine them.

Senator LONG. No. I want them, Senator. I want the documents placed in the record.

Senator CONNALLY. Why not read the list of the amounts and the names?

Senator LONG. They are offered here in the eleventh hour, after the witnesses have gone, and I want the document, and I want the chance to scrutinize them and show where he got the money.

The CHAIRMAN. This hearing is not going to be prolonged, and this matter came out—I don't remember how—it has been going on so long that my mind is a little vague as to when we started, but it came out early in the proceedings here about this matter.

Senator LONG. Yes, sir.

The CHAIRMAN. If the committee wants this proposition and wants to look them over, all right; but we are not going to prolong this hearing.

Senator LONG. I do not object to their going in the record. I have no objections to it.

Senator HASTINGS. I was the one that suggested them for the record, because I know that I was a good deal impressed with the fact that Mr. Robinson could not recall a single bill that was due at the time. If there is positive evidence of that, subsequent to that, these bills were paid, it ought to appear somewhere in the record, but this is such a huge record already.

Senator LONG. I do not object to the ex-parte nature of the testimony being filed or anything like that. I just want them first, and all I want is my usual chance, and I will get sufficient data if I am in error about it.

Senator BARKLEY. If there is any more testimony going to be introduced in reference to this matter, I think it ought to be introduced in this record instead of the Congressional Record on the floor of the Senate where nobody has an opportunity to reply to anything that is said.

Senator LONG. Then I am willing that the committee should have it.

Senator HASTINGS. May we not have these exhibits turned over to the Secretary of the Senate rather than printed in the record, and a reference made where anybody interested may go and examine it?

Mr. SULLIVAN. I would like to have photostatic copies of them made.

The CHAIRMAN. That is all right. We will follow that course, Senator Hastings.

Senator LONG. Just file it and let them make photostatic copies.

The CHAIRMAN. You can have photostatic copies made.

Mr. SULLIVAN. It shows on the 23d of February I gave \$4,800 to Long headquarters.

Senator HASTINGS. They can be returned to Colonel Sullivan after this matter is decided.

The CHAIRMAN. I suppose you want photostatic copies for yourself, and leave the originals here?

Mr. SULLIVAN. When you are through with the originals, I would like to have them for my records.

Senator HASTINGS. That can be done without photostatic copies.

The CHAIRMAN. That will be the order then. Is there any other question?

Senator LONG. No. May I see those documents?

Mr. SULLIVAN. Yes; I will be glad to sit with you and look at them.

Senator BARKLEY. It may be that this matter was gone into before I got here this morning. Did you explain, Colonel Sullivan, the situation with reference to the Navillus Realty Co., and the Home Owners' Loan Bank that has been brought out here in the testimony, the insinuation that you had some invidious connection there on loans?

Mr. SULLIVAN. Yes. I would like to say this. The secretary of the homestead is the man that runs the homestead office. The directors simply pass on questions that come up at a meeting. The secretary does all the employing. Frank B. Sullivan holds a nonpaid position. Frank B. Sullivan and John P. Sullivan, if any amount of money were made by the homestead at all, they would be very poor participants in it, because all that Frank B. Sullivan owns in the homestead and all that I own in the homestead is 5 shares each. That is all of the stock that we own in the Hibernia Homestead Association. The records will show that. The State bank examiner's department—I think I stated it correctly, that my holdings are not over 5 shares. John R. Sullivan and Mrs. Sullivan did own \$14,500 plus \$500, and they were compelled to turn over their stock on account of this loan, and I now swear that this \$2,600 mortgage was part of the interest mortgage, and that is why that interest was paid. I was never the general manager—

The CHAIRMAN (interrupting). I thought you went into all of that.

Senator BARKLEY. I do not want to repeat anything, but I think in view of the insinuations—

Senator HASTINGS (interrupting). I don't know whether it is clear or not, but I want to inquire whether or not Mr. Moore's office is under civil service.

Mr. MOORE. Part of the force, but not all of the force.

Senator HASTINGS. Who determines that?

Mr. MOORE. That is a condition that I found there. I have been there 6 months.

Senator HASTINGS. Are the offices like yours under civil service all over the country?

Mr. Moore. It is a divided matter. All of the employees have to be recommended by the collector, sent to Washington for approval here. Any employee from the porter up, under the rules and regulations, he does not have to take that list from the civil service.

Senator HASTINGS. Under the rules and regulations, you say, he does not have to take that list from the civil service?

Mr. Moore. No.

Senator BARKLEY. Positions like deputy collector are not under the Civil Service.

Mr. Moore. No.

Senator BARKLEY. Positions like revenue agent are under the civil service. They have no connection with the collector's office except to work with him, but they are established from Washington.

Mr. Moore. They are established from Washington.

Senator BARKLEY. And not a part of the collector.

Mr. Moore. That is an entirely different organization with different offices.

Senator HASTINGS. I had in mind particularly the clerks in your office.

Senator CONNALLY. I have some information in regard to the operation of this office in my State. Part of these employees are Civil Service and part are not, and can be appointed by anybody. I know that is true in my State, and it is probably true all over the country.

The CHAIRMAN. I think that is true generally.

Senator LONG. Mr. Chairman, what is the disposition of these documents, so far as my being able to review them?

Mr. SULLIVAN. I would like to discuss the matter with the chairman as to their future safety.

The CHAIRMAN. You may have a photostatic copy made, and then after you have had it made, the photostatic copy, turn them over to the Sergeant at Arms, and Senator Long may then view them, or any member of the committee.

Senator CONNALLY. When we are through with the originals, we will return them to Colonel Sullivan?

The CHAIRMAN. Yes. This hearing is recessed. The committee meets tomorrow morning at 10 o'clock on another matter.

Mr. SULLIVAN. May we go home?

The CHAIRMAN. Everybody is dismissed.

Senator LONG. Mr. Chairman, I have the analysis of that decision which I would like to have filed in the record.

The CHAIRMAN. I would like to state that on all of these exhibits, permission has been given that they be put in as quickly as possible, because this hearing must be printed.

(Whereupon, at 11:50 p.m., the hearing is recessed.)

