

PRESENT STATUS OF THE FIGHT  
FOR THE LIFE OF THE ORDER  
-----

1- Danger of Police State Rule

We are moving rapidly towards a police state. What is a police state? It is the abrogation of personal liberties guaranteed by the Constitution, and turning over to the State apparatus the right to disregard them, to prescribe a mode of living, a way of thinking, prescribe ways of action, and abolish all freedom of criticism of official policies.

For the people it is a new slavery, under which your body and brains become slaves. It is hard to imagine in America, which was built on the basis of civil rights, to have to live with everything prescribed. It is the creation of a concentration camp for all the people.

This process of transforming America into a police state has been going on for the last few years. The ground was prepared for the McCarran Act through a number of administrative actions, even when no law yet existed. What was the Loyalty Oath, the placing of organizations on a proscribed list without a hearing, and branding people's organizations as outside the pale of the law; or the mass deportation drive against the foreign born? They were the administrative predecessors of the new McCarran Law. The hysterical thought-control trial of the leaders of a political party was the seed of the McCarran registration.

There is an old proverb which says that when you sow the seeds of the wind you must produce a storm. When the seeds are hysteria, the storm is a police state. That storm is mounting; it will tear out the tree of liberty, smash the foundation of your home

as your castle, the organization as the symbol of your freedom of association, your press as the symbol of freedom of the press, and your freedom of thought. The McCarran Act lays the basis for all of these.

What is the McCarran Law?

We are not yet fully conscious of the meaning of the McCarran Law and how America will look if the McCarran Law remains the law of the land. The objective is very simple -- to fascize our country. Too often do we think of the advance of fascism in terms of brown shirts, marches, boots that trample everything that stands in their way. This form is easy to recognize when it is already fully upon us. Some people ask, can fascist measures be legislated? Of course they can. Why cannot 320 reactionary-minded Congressmen, on the basis of a hysterical pattern, bring about measures which will put us closer and closer to the road to fascism?

A McCarran Law may very well pave the path upon which storm troopers may march. The McCarran Law is an advance detachment of measures so inclusive, produced in one shot, so as to bring about in a short time what it took Hitler quite some time to prescribe. The McCarran Law is a package of legislated dynamite placed under every American doorstep, with the control fuse in the hands of a hysterical administration.

Now let us examine what is this McCarran law.

1- Scope: To regulate organizations characterized as (a) Communist action and (b) Communist front. It sets up guides, so-called, for judging organizations to be either action or front. They are "action" if they support a foreign government;

adopt policies with regard to the support of foreign governments; the extent to which their views are similar to those of a foreign government; whether it receives aid from a foreign government, etc. Organizations are designated as "fronts" if they are substantially controlled by a Communist action organization; primarily operated for the purpose of giving aid to Communist action organizations, to a foreign Communist government or to the world Communist movement; whether they have Communist leadership; give financial support to Communist organizations; adopt policies similar to Communist organizations, etc.

2- Registration: In "action" organizations, leaders and members must register. In "front" organizations, leaders must register. All literature must be marked.

3- Timetable: A Board to be designated by the President; organizations to receive a hearing before this Board, after which they can appeal to the Appeals Court and up to the Supreme Court. No action to be taken by the Board against individuals or organizations, nor are they obligated to register, until the final appeal before the Supreme Court is settled.

4- Penalties: Arrests and fines.

5- Effect Upon Foreign Born: Any foreign born person affiliated with the Communist Party can be excluded

from the United States or deported.

Organizations in Danger

No, America cannot live with such a law. No organization, no individual, who may escape the first listing of the Attorney General, can live with such a law, unless they are ready to give up and forget the basic freedoms guaranteed by the Constitution. That is why the first concern of every freedom-loving American is to help organize the mass resentment against the law and work for its repeal. Hundreds of organizations, embracing millions, have expressed their opposition to the Bill, and supported the President's veto. It is now their task to get the widest expression for repeal of the Law.

Our Order joins this movement fully, and pledges to do everything in our power, as a patriotic duty, to help to repeal this Law. We are doing this in our self-defense, and in self-defense of American democratic principles. Our members should give every possible aid to the newly organized Committee For Repeal, <sup>170 individuals</sup> and the steps they have taken to fight for an injunction to stop the carrying through of the provisions of the Law until its repeal.

The basis for this injunction embodies all the undemocratic provisions of the Act. They assert that the Act would:-

Impose prior restraints upon the right to speak, to write and distribute a newspaper, leaflet or other publication, to assemble peacefully, or upon the right to associate oneself voluntarily with others for legitimate ends.

Establish the principle of conviction without a finding of personal guilt, with a penalty of five years imprisonment and a \$10,000 fine for each offense.

Make criminal mere membership in a political party or organization.

Put the government of the United States in the thought-control business.

The Committee for Repeal states that Sections 1 through 17 of the McCarran Law are unconstitutional because of their failure to provide "ascertainable standards for the determination of guilt."

The great danger that we face today is, on the one hand, the belief of some people that nothing can be done about the McCarran Law, and on the other, <sup>that because the court</sup> ~~that~~ a feeling of dependence upon our living procedures of <sup>may take</sup> ~~the past years~~, <sup>will be lulled</sup> ~~will lull~~ the people into acceptance of the Act as a part of American life.

Mundt himself exposed the real meaning of the Act, when he spoke of the devastating effect it will have on organizations by mere decision of the Board that an organization must register -- even if the legal battle up to the Supreme Court may take a few years. By the time the Supreme Court may make its final decision about an organization, the damage will have been so effective that even a decision to overrule the Board may be of very little practical use.

That is why the struggle for repeal is so decisive.

#### Order's Position on McCarran Law

1 - As far as our convictions, and deep convictions at that, are concerned, we are not a subversive organization. We have never been a subversive organization. The program and activities of our Order, the services that we give, the purposes for which people join our Order are not and do not contain violations of any law of the United States.

2 - We are not a political organization of any kind. We are non-political in character, and we have members of varied political opinions; these opinions are their individual business. Nobody asks anybody when he or she joins the Order, or while he is in the Order, what are his or her political beliefs.

3 - As a fraternal organization, we do not impose any political thinking or action upon our members, nor any submission to any political or partisan action.

4 - We are not a front for anybody. The purpose of the organization is to serve its members with fraternal benefits, with cultural and recreational facilities, adhering strictly to the Insurance Charter. This cannot make us a front for anybody outside the Order.

5 - The way your Order conducts its financial affairs, under the strict supervision of the State Insurance Department, belies any possible accusation of any financial support for any political purposes. Never did your IWO treasury make any contribution for any political purposes.

6 - Your officers are pledged to the Order as elected officers and individuals, not to bring into the organization any of their individual political opinions, but adhere to the carrying through of decisions made by the Order, which are always non-political in character.

For these reasons your leadership came to the unanimous decision that we neither act, nor are we a front for anybody. It is only natural that we do not consider ourselves liable under the McCarran Law. This we have formulated in the following letter which we have sent out to all lodges:

(Read letter to lodges)

We hope that the Department of Justice will not present our name to the Board, if there is any justice left. We must be practical, however. The father of the unconstitutional "subversive" list may send in the name of our Order to the "anti-subversive" Board. What will be our position? What will we do?

One thing is sure: We will be given a hearing. We can assure our membership that we will fight with concrete proof of the work we are doing against the allegation that we are a subversive organization. We will take every step necessary to safeguard the interests of our membership. It can be stated right here that every present leader of the Order considers his office only from the viewpoint of serving the best interests of the membership, that nobody will place himself in a position where his holding of high office will endanger the best interests of the organization. Our Order is a democratic organization. Your officers have no selfish interests and are ready to place themselves at the wishes of the membership. With this in mind, and whatever other steps may be necessary to be taken, we shall leave it to the full will of the convention to take all steps to help the organization to live and execute its obligation to 160,000 members, which is our sole and only concern.

Therefore, our convention is, in the face of the vicious McCarran Law, of tremendous importance. It will have to review our

*There is a poss. that we will hold the conv earlier = poss in Nov = in order to carry this through*

work in the light of the present situation, consolidate the organization, further formulate the fraternal programmatic aspects, critically review some mistakes of the past, and further concretize and define constitutionally the specific type of work of a progressive fraternal organization, and elect a leadership representative of the varied character of the Order. It will be a convention which will have as its purpose to maintain the existence of the Order.

Yes, we are fighting for our very life as an organization. We can say with pride that we all together have stood the test so far. It is three years since the subversive list was published. That after three years of vicious attacks against us and of loyalty purges, of deportation proceedings against Order members, of intimidations, of organized attacks by fascist D.P.'s, of the most unprincipled attacks by reactionary newspapers, we can today register 160,000 members, speaks for itself. No other organization could withstand this. We have met every attack on every front, and we shall continue to do so.

Let us refresh our memories. The powers that be thought that placing our Order on the list would have a devastating effect. They were mistaken. They did not understand the quality of our membership, their conviction that we are not a subversive organization, and the services they get from their Order.

You are entitled to know how we stand on a number of fronts on the line of attack against us. So let me enumerate them and give you a full picture.

First, the List. As you know we are now before the Supreme Court of the United States, testing the constitutionality of the list. The lower courts just dismissed the whole question by declaring that we have no standing to sue the Attorney General, which actually

meant that the King can do no wrong. The decision of the Circuit Court of Appeal was a 2:1 decision, and we went to the Supreme Court. The Supreme Court agreed to review the case and arguments have already been held. It is interesting to note that the representative of the Attorney General had a tough job to justify the unconstitutional procedure. The Justices, through their questions, showed a keen interest in the position in which our Order was placed to be smeared on a wholesale basis without a hearing, affecting the savings and interests of 160,000 members. The Justices asked such questions as: Did the organization receive a hearing? What property rights are involved? They also made the comment, in connection with our constitutional provision excluding strikebreakers from membership, that such people were poor insurance risks. Now we are waiting for a decision.

Second, Loyalty Cases. You know that we were faced with a number of proceedings against members under the loyalty investigations. But even under this star chamber procedure, where the source of information was not revealed and where witnesses could not be cross-examined, practically all Order members who were brought before the board because of their membership in the Order, were reinstated. And Mr. Richardson, the head of the Loyalty Review Board (now the chairman of the Anti-Subversive Board), had to admit that mere membership in the Order is no bar to governmental employment.

### Support of Loyalty Oath Victims

In connection with the loyalty cases, the IWO made a statement some time ago that the organization will defend any member who will be victimized because of membership in the Order. We have carried through this obligation which we have assumed. Almost all of those charged with disloyalty because of IWO membership have been reinstated.

### The Deportation Cases

Historically it has always happened that whenever reaction wanted to attack the rights of the American people, they began with what they consider the softest spot for attack, namely, the foreign born, non-citizens. The deportation delirium was the forerunner of the McCarran Law, which also includes an attack on all Americans.

The attempt to brand our Order as an organization which believes in force and violence, through the deportation proceedings against Brother Dmytryshyn, fell flat, with its host of stoolpigeons (Crouch, George Powers, Cvetich, etc.,) discredited.

This underhanded method of branding the organization, without even giving the organization an opportunity to state its position, is the most flagrant denial of due process, which means the basic legal rights. Brother Dmytryshyn's name, his activities were not mentioned at the hearing. The stool pigeons, most of whom were never members of the Order, "testified" as to the work of the Order, and practically none of them know Brother Dmytryshyn. This was the greatest farce of a hearing ever conducted. The attempt, through deportation proceedings with all its inhuman aspect, to terrorize non-citizen members of the Order and to create panic among them, was the most cynical reversal of the basic legal concepts and of the most elementary rights of organizations and people. Legally, the Order was not even a part of the case. The defense of Dmytryshyn was conducted by the American Committee for the Protection of Foreign Born, for which we want to express our thanks. We are informed that the Committee has pledged to the Order that they will bring the Dmytryshyn case, in which by the way, there is not even a recommendation from the examiner, into the courts. The Committee also informed us that if similar cases arising from membership may develop, the Committee will extend a defending hand in such cases. There is no question that in recognition for these services of the Committee to our Order and membership, all of us should give a helping hand and fully support the splendid work of the Committee.

The McCarran Act has unleashed a new wave of illegal acts against the foreign born. The illegal arrests of aliens, who did not even have hearings, holding them without bail, among them are members of the Order, are our concern. In a sense, the defense of these foreign born, thousands of whom belong to our Order,

is an integral part of the defense of the Order. Courts in San Francisco and St. Louis have already freed some arrested in the latest mass arrests.

#### City Ordinances

In a number of cities little McCarran Bills have been enacted. One directly affecting the Order was in Erie, Pa, where our organization was listed for attack. A Federal judge in Washington has issued to the IWO attorney an injunction preventing the City of Erie from arresting or hampering members or lodges of the Order in that city. In other cities -- Miami, Jacksonville, Los Angeles -- these city ordinances have been declared unconstitutional.

We can say safely that all these police state methods of intimidation to smash our Order did not bring the results reaction expected. We live, we serve our membership, we uphold the democratic traditions, and our membership rallied behind their organization. They have built it. It is like their home and they are defending it. List or no list; intimidation or no intimidation; falsely branding our Order, our membership understood all the purposes of these attacks and decided to stand by and fight for the American principle, freedom of association. That is why reaction has now enlisted the aid of the New York and other State Insurance Departments to hit right at the base - namely, the charter upon which we are functioning.

#### Attack by Insurance Department

We reported to you sometime ago about the so-called fraternal report of the Examiner, which recommends liquidation of the Order. You also know that the report and the Examiner's recommendation are not public documents. Your leadership does not think, that they

shall, at this moment, make these documents public. Naturally, this creates special difficulties with regard to the development of a campaign around the recommendation to withdraw the charter. We are therefore at this moment giving information only to our leading members, so that they can be informed of what the situation is and what may be the prospective.

The hearings on the recommendation of the Examiner have already started and we can draw some conclusions on what the objectives are of the State Insurance Department. But first about the report itself.

Brother Shipka characterized the report at our special meeting of the General Council as follows:

"A few days after the deportation arrests, the New York Insurance Department completed its so-called Fraternal Report, which is as fraternal as a policeman's club, which is as much of a 'Report' on what we do as a fraternal organization, how we serve our members, as Budenz's report on Lattimore.

"It is a voluminous report of 145 pages, with the following concluding remarks:

"1 - That we called government officials names in our criticism of their policies.

"2 - That the Insurance Law never contemplated that insurance organizations could espouse any political party, with the false claim that the IWO did endorse and support a political party.

"3 - That we spread hatred towards those who are in better economic circumstances.

"4 - That we are put on the subversive list, and even if the charges are refuted, that this is sufficient basis to attack our organization.

"5 - That leaders made speeches.

"With the conclusion by the Examiner that the IWO be liquidated as a 'public hazard.'"

Let us establish a basic approach to the Report upon which our defense stands:

The report is illegal on the basis of the provisions of the Insurance Law.

The Insurance Law gives Insurance Departments supervisory rights over the business of a fraternal organization only from one

basic viewpoint:- to guard that the funds, the investments, the insurance of the membership and the fiscal, financial policies are in the interest of the policy holders. This is not only interpretation, it is supported by a number of court decisions arising from previous misinterpretations of the law by the Insurance Departments of various states.

The fact is that the first reports made by the Insurance Department on the financial and fraternal activities of the Order dealt with and admitted the soundness of our fiscal financial policies and services, only proves that the second report, enlarging on the private opinions of some officers, or positions taken on some civic issues by the Order, or articles published in the "Fraternal Outlook" infringes upon the rights of a fraternal organization, and its program as defined by the charter:

"(a) to promote fraternal intercourse among the members; to assist its members in case of sickness or disability and their families dependent upon them in need and distress resulting from such sickness and disability of such members; to carry on altruistic, educational, fraternal and recreational activities for the benefit of its members; to further benevolence and to allay poverty amongst those that are dependent upon its members for their maintenance and support by establishing a sick fund and also a beneficiary fund, from which, upon the death of any member in good standing, the beneficiary named in the membership certificate or policy issued to the deceased member shall draw an amount not exceeding the sum designated therein; the limit of death benefit payable under any individual membership certificate or policy shall not exceed five thousand dollars."

It is not within the jurisdiction of the Insurance Department to enter the field of censorship of thought or positions taken; and such action on their part is in violation of the Insurance Law concerning fraternal organizations.

The Report made by the Examiner is a hodgepodge of quotations from the Dies Committee reports, smear material from reactionary newspapers, all of them completely contrary to the real work and purposes of the Order. These are not facts, but reactionary smear propaganda aimed at convicting an organization on a basis contrary to the law, which states:-

"Section 29. ... The examiner or examiners in charge of such examination shall make a true report of every examination made by him, verified under oath, which shall comprise only facts appearing upon the books, records, or other documents of such insurer or other person or as ascertained from the sworn testimony of its officers or agents or other persons examined concerning its affairs, and such conclusions and recommendations as may reasonably be warranted from such facts."

The Report is illegal because its major sections are composed of quotations from speeches and documents of 16 or 18 years ago, made over a period during which the Insurance Department has already made reports and approved the work of the organization. This is an illegal, retroactive approach.

The Report recommends liquidation, which is the most severe punishment, even if the laws of the Insurance Code were violated, especially in our case, where no violation of the Insurance Law was even mentioned.

The basis upon which the recommendation for liquidation is made is that it, the Order, has become a public hazard. According to the Insurance Law, a public hazard as referred to in the statute specifically refers to an organization which is financially unsound

or unable to meet its financial obligations. In 300 previous actions taken by the Insurance Department against insurance companies and fraternal organizations, in every instance the action taken was because of financial unsoundness. Where a State Insurance Department tried to go beyond the financial matters, as in the Case of the German Alliance Insurance Company Vs. Kansas, the Supreme Court of Missouri stated the following:

"The relation to the public of companies subject to supervision by the Superintendent of Insurance, under Section 7078, is primarily of a pecuniary nature. While much latitude is given the Superintendent in determining the extent and character of the information upon which he will be authorized to proceed in a given case, it must, at least, be of such a nature as to indicate that the company to be supervised is unsound financially. Further than this the law does not concern itself. If a company is a going concern in the sense that it possesses financial ability to transact its business as authorized by law, then it is not contemplated that it shall be subject to official espionage, because the conduct of its affairs cannot reasonably be construed to be either hazardous to the public generally or its policy holders particularly."

If financially we are sound, as even the Insurance Department is forced to admit, the question of becoming a public hazard is not for the Insurance Department, but for our membership to decide.

This is the basis for our defense. We are not crawling before the Insurance Department, which challenges our right to function as a fraternal organization, but we are challenging their right to interfere with 165,000 members and their concept of fraternalism.

Attorney for Ins Dept & for us

We are conducting a fighting defense, attacking this illegal action against us. Here again we shall not rest until this question is fought out in the courts of the state. If only previous court decisions could be a barometer today, we are on solid ground.

While challenging the legality of the report, which is void of facts and the recommendation to liquidate an organization, which is equivalent to mass extermination, we are <sup>not</sup> challenging the right of supervision and for the insurance department to make recommendations and propose changes to a fraternal organization on the conduct of its business. Such criticism or recommendation coming from the insurance department arising from previous examinations to guarantee the interest of the membership, were always adhered to by us, and will be adhered to today. The most scandalous feature of the report is that it is without recommendations for changes, but a flat proposal for liquidation. We have informed the Insurance Department that our convention will be ready to take any reasonable recommendation the Insurance Department may make in line with the Insurance Law. And again here just as we said above, your leadership is approaching the question with the full sincerity and responsibility of defending the interest of our members, and at the same time safeguarding the existence of our Order.

We are not and will not stand idly by while such a dastardly recommendation is made to "liquidate" the fraternal order which you built by your sweat and blood. Those monopoly insurance companies who are standing by hungrily hoping that the Insurance Department will turn over to them and their treasuries the \$110,000,000 of insurance of IWO members and our treasury of \$7,000,000 are in for a sad disappointment.

We built the Order because you wanted your own fraternal organization and not a monopoly controlled insurance company.

Does anyone in his or her sane mind think that the fraternal spirit that permeated and permeates the membership of the IWO can be destroyed? Does anyone in his or her sane mind think that the cultural traditions of the national groups of our country which have found such rich expression in our Order and its societies; in our cultural and other institutions; does anyone believe that these can be destroyed! Of course not! We will have our organization - come what will.

We can, will and must win this struggle for existence. It is a struggle to cement the unity of the people in defense of democracy and against the destruction of our Constitution, our Bill of Rights on the road to fascism.

That is why today the struggle for existence is a struggle to cement our unity, to help those who are confused and affected by fear to stand by their organization as never before -- the lodges to meet and carry through the fraternalism of our Order, to serve our members.

We are saying this while at the same time, during the hearing and after the hearing, we

again and again repeat our readiness to do everything to save the I.W.O. as an Order, and we will give proof at our convention of our common desire to defend the interests of our membership.

In this whole struggle for existence, with all the dangers hanging over us, we must be prepared for a multitude of defense activities, and that is why the Defense Fund is today of enormous importance.

Funds of decisive importance in defending our Order

Your officers and General Council, as you can readily see, are using every available legal means to save our Order, in the Supreme Court, in the immigration cases, in the cases arising out of city ordinances, and with a staff of outstanding attorneys participating in the Insurance Department hearings now going on.

These actions are very costly. We must have the funds necessary to win these fights. A financial contribution must be gotten from every member. Thus far the Committee of One Hundred has raised less than half of the \$150,000 Fighting Fund for the Defense of the Order. We urge you to do everything you can to complete the quota so that we will have the necessary funds available.

And not least important in this critical hour is to bring in new members in this Pre-Convention Drive, to show by deeds that our organization is not a hazard, but, on the contrary, an organization which serves the people and which the people need.

# # # #