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Dear Mr. Shockley:

As Chairman of the Insurance Committee of the House of Representatives, you write inviting me to come to Jefferson City and give information to your Committee about the compromise of the fire insurance rate cases.

You have now been in session several weeks and have accomplished nothing. The first effort of your party leader was to deprive the Investigating Committee of any clerk, stenographer or counsel. This failing, your party organization did succeed in taking the investigation from the hands of a specially selected committee and placing it in the Standing Insurance Committee which contains many stalwarts of the Pendergast variety. The first action of your Committee was to vote to take all evidence in secret sessions. Public sentiment compelled a change in this scheme.

Since the Committee has been Kitting, its members have taken little or no interest in the proceedings, and members of your Committee have stated that the purpose of the entire arrangement was to give a whitewash to Superintendent O'Malley.

You have not compelled the production of any records, correspondence or other papers; in fact, you have not even subpoenaed a single witness. You have merely furnished a sounding board for those who were under criticism to come and make speeches.

All the people of Missouri knew that this great lawsuit involved many millions of dollars, and that up to the time of the compromise, nearly all of the court decisions had been in favor of the policyholders. They also knew that Superintendent O'Malley assumed the arbitrary authority to make a settlement which deprived the courts of any further chance to rule on the merits; that by his arbitrary acts the policyholders for idiom all of the funds were empounded received only about 20% of what the court might have given them in full, and further, by his arbitrary act the Superintendent of Insurance agreed to the payment of millions of dollars in expenses and lawyers' fees. It would have seemed that this was reason enough for your Committee to conduct a vigorous cross-examination of the Superintendent, but when the terrible tempered Mr. O'Malley appeared before your Committee, you permitted him to make a stump speech about the duty to follow "that fearless leader, "Franklin Delano Roosevelt".

You knew that the Attorney General of Missouri had refused to approve the compromise, yet you have not asked him to come before the Committee and tell you why.

You knew that Mr. O'Malley, before putting his scheme into effect.

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went to New York and laid it before Thomas J. Pendergast in the latter's apartments in

the Waldorf-Astoria Hotel, and received his blessing upon it. You even knew that Pendergast has given a statement to the newspapers to this effect. Was it not shocking to you that this judicial proceeding should be left to the decision of a political boss? And did it not occur to you to question Mr. O'Malley about it?

Do you think that the banks should have paid interest on these millions during the years they were empounded? Or do you think that the custodian banker of these millions should be paid a small fortune for having held the funds in his care? Your Committee has shown no concern in the matter.

Now, one of the members of your own Committee has quit your sessions in disgust, saying that your decision to attempt the vindication of Mr. O'Malley was decided upon before the hearings began. Certainly, every move made by you and your Committee since then would seem to confirm his statement.

In these circumstances, you write inviting me to come before your Committee and give information about the compromise of the fire insurance rate cases. Do you not know my answer?

Yours very truly,

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From the outset it was obvious that the so-called Insurance Investigating Committee was a Pendergast plan to whitewash Superintendent O'Malley and to deodorize his deals as far as possible. Not a single subpoena was issued, No books, papers or correspondence were called for. Speeches favoring O'Malley were permitted from the lawyers whom he had enriched, while Mr. O'Malley himself was permitted to grow eloquent about that peerless statesman, Franklin Delano Roosevelt. Everyone soon understood that the Committee was setting up a camouflage and one of its members quit in disgust saying it was all a mockery and sham.

After many weeks of this humbugging, the Committee boldly announced that it was inviting Mr. Hirth and myself to come and give testimony, and then, before either of us had time to reply, its Chairman issued a second statement that no more testimony would be taken, and that there would be no more hearings. I believe Mr. Hirth's acceptance had already reached the Chairman when the further hearings were called off.

Apparently, it did not even occur to the "Investigators" to invite the Attorney General of Missouri, Mr. McKittrick. He had refused to approve the insurance compromise and he could have told them why. In his office are men who are thoroughly familiar with every phase of the insurance litigation. They have the records at hand which Mr. Hirth and I have not.

One can well understand why the O'Malleyites thought it wiser to leave Mr. McKittrick alone. Mr. McKittrick, if he were sufficiently interested, could now bring a lawsuit in the name of the State, which would knock the entire insurance compromise into smithereens, and recover back millions of dollars which belong to the people of Missouri. The acts of the Superintendent in giving away these funds are illegal and void. The

courts have held that these refunds are the property of the policyholders and the Insurance Superintendent cannot overrule the courts and hold to the contrary. Not in a generation has an Attorney General had such an outstanding opportunity to serve the people. In other ways he has shown his independence of the Pendergast control, and it is entirely possible that he will do so again. Governor Stark has also shown independence from Pendergast in some of the appointments he has made and the investigators may be quite disappointed when they find that their efforts to whitewash and deodorize O'Malley have failed.