

(Not printed at Government expense)



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 77th CONGRESS, FIRST SESSION

Is America Arming the Axis?

RADIO ADDRESS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

June 20, 1941

(Printed in the CONGRESSIONAL RECORD of
June 20, 1941)

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a speech to be delivered by me over a national hook-up of the National Broadcasting Co. on Friday evening, June 20, in which I discuss shipments of war supplies from the United States to the Axis Powers or their affiliates.

In this address I allude to my House Concurrent Resolution 30 and give a condensed statement of reasons justifying favorable reporting of this bill by the House Committee on Rules.

The address follows:

The President has eloquently proclaimed that these United States are the arsenal of the democracies. The newspapers are full of solemn pronouncements that America has embarked upon a program of all-out aid to Britain. Whether one be an isolationist or interventionist, he generally may be found to be warmly sympathetic to Britain's cause. Congress has voted \$7,000,000,000 in the lend-lease bill for aid to democracy. We are a generous nation. We have supplied Great Britain so far with 50 tankers. We have supplied the United Kingdom with more than 60 destroyers and a score of Coast Guard cutters. On public rostrum, in church pulpit, on college campus, in congressional halls, we have detailed in emotional language our affection for China and our fervent prayer that it defeat Japan.

LEAKS TO THE AXIS

But the cornucopia of plenty which we offer without stint to the democracies has sprung many leaks. A hundred gushing rivulets spurt to the aid of the dictators. The American people are becoming aroused at the spectacle of our exportation of war supplies to the Axis Powers and also to those countries subjugated by them, notwithstanding the above-mentioned devotion to democracy.

EMBARGOING MATÉRIEL OF WAR TO JAPAN

Some 3 years ago I introduced in the House of Representatives a bill to prohibit the exportation to Japan of munitions and matériel of war. Hearings were held on this measure before the House Committee on Foreign Affairs, but the committee declined to report the bill out favorably, notwithstanding the tremendous public support of the measure. I received thousands of messages from earnest citizens residing in every State in the Union passionately praying that my measure be

enacted into law, but Congress declined to act. In the interim, bombs have dropped upon helpless Chinese women and children from airplanes propelled by American gasoline. During those sad and tragic years slumbering China has been devastated, her cities burned, her peoples attacked. We, more than any other country, are responsible for that carnage in that we have continued to ship war supplies to Japan and have purchased annually vast quantities of silk from them. Now the American people are aroused. They are determined upon action. They will brook no delay.

HOUSE CONCURRENT RESOLUTION NO. 30

There is now pending in the Congress of the United States, House Concurrent Resolution No. 30, which I have introduced and which is designed to reveal the unvarnished facts concerning this hypocritical business of arming the Axis when we are supposed to be the arsenal for democracy. This concurrent resolution was referred to the House Committee on Rules. That committee held three hearings on the measure, part of them behind closed doors, but so far it has declined to send the bill to the House floor for action. Let me cite you a pertinent section of that resolution. I quote: "It shall be the duty of the committee to make a full and complete investigation with respect to the character of, and the extent to which, the so-called Axis Powers or countries aiding the Axis Powers (a) are obtaining, or have obtained, essential war materials, money, credit, intelligence, or other aid, directly or indirectly, from the United States; and (b) are hindering, or have hindered, the national-defense program of the United States." The resolution provides that such a committee shall report to Congress, and thus to the American people, at the earliest practicable time the results of its investigation, together with its recommendation for remedial legislation. The resolution then sets up the machinery for accomplishing its objective and provides for a modest appropriation to implement its work.

NEWSPAPER EDITORS ARE AROUSED

Senator GUY GILLETTE, of Iowa, has introduced a similar resolution in the Senate, which was reported out favorably by the Senate Committee on Commerce and is now awaiting action before the Senate. This committee will not be organized, however, until the House passes my companion resolution. But two main reasons can be assigned as the excuse for the sale of war supplies to the Axis and their satellites. One is private profit, which I contend is profit at the expense of America's best interests and welfare; the other reason would be appeasement of the aggressor, a policy of propitiation of the dictatorships which proved futile, disastrous, if not suicidal when practiced by such countries as Belgium, Czechoslovakia, and Holland. Newspapers throughout the country have editorially decried this illogical and inconsistent procedure. Radio commentators have unhesitatingly condemned it. Magazines are replete with articles inveighing against it. Let me quote from a recent editorial appearing in the South Bend (Ind.) Tribune:

"The United States is selling oil and oil products directly to Japan. The Japanese

are sending some oil and oil products to Nazi Germany. If it were only a matter of ordinary foreign trade, the American people might think little of it, but the United States has just acquired a national-defense oil dictator, and we are now warned of impending gasolineless Sundays, and reduction in quotas for oil for heating and fuel purposes is now threatened. Is Uncle Sam growing another set of goat horns?" The Cincinnati Times Star, referring to the shortage of gasoline here and the threatened limitations on its use, said:

"The American people will submit willingly to any measures necessary to the national defense. But they will first want to be satisfied that sacrifices on their part are the only reasonable way out of the dilemma. They don't want to be the victims of another ill-planned crusade."

The Galveston News said on June 6:

"Many Americans think it is unwise to sell war materials to countries with which we soon may be at war. Washington and London apparently have agreed, however, that it is better to keep on supplying Japan with oil than to goad that country to further aggression by shutting off supplies. If it is true that an oil embargo is the only thing which would cause Japan to risk war with the United States, this is a profitable form of appeasement. But experience discounts appeasement as a general policy, and there is reason to fear that it will prove to be mistaken in this case."

The Miami (Fla.) Herald, in speaking of limitations on gasoline consumption for the American people, editorializes as follows:

"They just can't believe it, can't understand it, when Japan doesn't find it hard to get the American gasoline she wants."

A CHINESE INTELLECTUAL IS PUZZLED

Dr. Lin YuTang, eminent Chinese, declared that "we Chinese can't understand logic as applied in the United States." He said, "You sent gunboats to shoot Chinese on the shores of the Yangtse-Kiang, then sent missionaries to ease their souls into heaven. You loan us money to stabilize our currency, and help our defense against the Japanese, while you supply the Japs with matériel of war to be used against us."

DEPARTMENTS CEASE DISCLOSING EXPORT ITEMS

The publicity in connection with the pendency of my resolution has caused Government departments to cease making available figures of American export. On May 29 the Department of Commerce decided "to cease publishing detailed statistics concerning the country of destination of our exports." What caused this sudden suspension of statistics? Can it be that these figures were revealing too much of our trade with the Axis? Certainly suspension of such figures hides nothing from the Axis, because these countries know what they receive. Americans alone are thus kept in the dark.

The Maritime Commission decided likewise to place a black-out upon figures concerning its operations. On June 14 it declared that "American-owned or controlled tankers are not carrying oil directly or indirectly to Germany, Italy, or Japan." At the same time the Maritime Commission lists a

total of 214 tankers owned or controlled by American companies flying foreign flags. Although it is stated most of these tankers are engaged in Western Hemisphere trade and in commerce to the United Kingdom and the Dutch East Indies, nothing is said about cargoes to third parties on the West African coast and to third parties the world over. The other day the Wall Street Journal pointed out that Great Britain had more than 500 oil tankers in addition to the 50 transferred to it by us.

OUR OIL FLOWS TO JAPAN

Just what have we been shipping to the Axis and their affiliates? The United States has sold to Japan 25,000,000 barrels of oil per year for the past 3 years. On July 31 an Executive order was issued that "in the interests of the national defense, the export of aviation gasoline is being limited to nations of the Western Hemisphere," but we find that, notwithstanding this, licenses were granted in August of 1940 for several hundred thousand gallons of aviation gasoline and in September for 4,832,000 gallons, and in the last 3 months of the year for 800,000 gallons, all of aviation gasoline. We have increased our shipments of petroleum to Japan since the first of the year. The total approximates an amazing amount.

On June 9, two tankers, the *San Luis Maru* and the *Kuro Shiro Maru*, took on 175,000 barrels of petroleum at San Francisco with Federal permission. The Japanese steamer, *Tonan Maru*, at the same time, loaded at Los Angeles 8,000,000 gallons for Japan. This latter ship, says the Japan-California Daily News, in its June 5 issue, "is one of the 91 Japanese ships which was blacklisted by the British for failure to cooperate in their war against the Axis. The vessel will not be given port courtesy in British ports, nor will she be allowed to fuel there." What do you think of this choice item?

OTHER WAR MATERIALS REACH NIPPON

Early in May, it was officially announced that one American and one British oil company entered into an agreement with the Japanese Government for the purchase from the Dutch East Indies fields of 1,800,000 tons of petroleum during the ensuing year which is 350 percent increase over the amount of petroleum sold by the same companies during the preceding year to Japan. Mr. William Farish, of Standard of New Jersey, claims this arrangement was made with full knowledge and consent of our State Department. During 1940 the United States exported to Japan 51,000,000 pounds of rubber scrap; 7,600 trucks; 32,300 pounds of gum rosin; 535,000 bales of cotton; 96,000 tons of wood pulp; 10,700,000 pounds of artificial abrasives; 254,091,000 pounds of steel bars and rods; 367,000,000 pounds of scrap steel, sheets, rods, and tin plate; 241,000,000 pounds of scrap and refined copper; 28,000,000 pounds of zinc; 3,700,000 pounds of nickel and Monel metal; 23,271,000 pounds of borax; 17,663,000 pounds of carbon black. In practically every case I have cited, the figures show an enormous increase in exports of this material of war over preceding years.

FINLAND IMPORTS WAR SUPPLIES FROM UNITED STATES

Finland is just across the Baltic from Germany. We exported to Finland 17,602,000 pounds of lard in 1940 which is more
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than 20 times the amount of this item, necessary to a war program, which we exported to Finland in 1939 when it was fighting the Soviet Union. Most of this lard goes to Germany, which is notoriously short of fats. We exported 4,254,000 pounds of tin and tin plate to Finland in 1940, over three times the amount we exported in 1939. The same proportion obtains in motortrucks: 3,114 in 1940 as contrasted with 573 in 1939.

PORTUGAL AND SPAIN LIKEWISE

Portugal does a brisk business with Italy and Germany. Besides shipping her 1,000,000 barrels of petroleum in 1940, we exported 700 motortrucks, and 35,000,000 pounds of tin plate. These products readily found their way into the hands of the Axis nations.

Spain enjoyed a nice trade with the United States in 1940, receiving four and one-half million barrels of petroleum products, over 7,000,000 pounds of paper stock, and two and one-half million bales of cotton, which is 15 times the amount we sold Spain in 1939. A significant item is that we sold Spain three and one-half times the amount of tin in 1940 as compared to 1939, the amount being 20,346,000 pounds. In 1940 Uncle Sam shipped to Spain 1,574,000 pounds of toluene, also known as toluol. This is the base of TNT, the dread explosive. Significantly, Spain purchased none of this from our country in 1938 or 1939. Scrap copper was generously provided Spain in 1940 to the tune of over 2,000,000 pounds. Where does it go? I'll give you two guesses, and your answer is correct both times.

OTHER FORMS OF COLLABORATION

It is not only in the field of exports of war materials, a few startling items of which I have just cited to you, by means of which we are aiding the Axis, but in the field of international corporate relationships and patent pools and contracts, we run into a prolific source of revenue for the Axis. Patent royalties provide foreign exchange and dollar credits for the Nazis and the Fascists, if not now directly in our own country, then through the medium of intermediate individuals in other countries.

American companies are parties in partnership with German, Italian, and Japanese companies in insurance and trade cartels, in shipping and financial agreements. In South America, agents for leading American companies are among the most prominent figures in bund and pro-Nazi organizations.

In the purchase of gold, we have been a generous friend to the Axis and its cohorts. During the years 1939 and 1940, our Government purchased more than \$280,000,000 worth of gold from Japan alone, not to mention the millions purchased from the Argentine, Brazil, and other countries friendly with the Axis. Argentina has sold us more gold than she actually produces. Where does this gold originate? Old gold can be remelted to appear as freshly mined. Certainly we should know that when a nation sells us more gold than is mined within her territorial confines, this supply is obtained from an outside source.

TANKERS

In recent weeks, the American people have been repeatedly admonished to conserve on their use of gasoline and fuel oil, yet tankers owned by American companies are still transporting petroleum in foreign trade. Only this week, a Japanese tanker was about to

load a vast supply of petroleum at Philadelphia, when stopped by Mr. Ickes. It seems ludicrous that there should be a shortage of petroleum in the United States when we are limiting production at the wells under State proration laws; when we are exporting millions of barrels of oil, monthly; when we have a tariff upon the importation of oil, thus discouraging its coming in. On the Atlantic seaboard, there is in storage 60,000,000 barrels of petroleum. This could be tapped at the rate of 200,000 barrels a day, which is the amount of the shortage created by the transfer of tankers to Great Britain, which tankers formerly transported the oil from Gulf ports to the Atlantic seaboard.

APPEASEMENT OF JAPAN CONDEMNED

We are told that we must propitiate the Japanese aggressor, and we must not offend him lest he engage in war with us forthwith. I make bold to reply that the Japanese respect the American Fleet in the Pacific, and will not move while our ships remain there. This country, through its public officials, has deplored acts of appeasement attributed to our unfortunate friends in Europe who subsequently succumbed to the invader.

It seems to me I recall an affair called Munich, in which Neville Chamberlain sought to quiet Germany by dismembering little Czechoslovakia and gave Sudetenland to Der Fuehrer. That was appeasement, but Mr. Hitler only paused and soon moved on his way. But the worst feature of the whole policy is its inconsistency, its lack of rationality. How can we say we believe in quarantining aggressors in Europe while appeasing the aggressor in the Orient? The American people want to know whether it is profit or foreign policy which dictates this course, or both. They are clamoring for action. If you feel that something should be done now, let your feelings be known in those places where the expression of your convictions will be most effective. Our people want Congress to get at the facts and take courageous steps to eliminate methods by which our beloved country may in a sense be charged with arming the Axis.

After World War I congressional committees investigated such double dealing, racketeering, and sale of munitions to the enemy and similar questionable war practices. But the facts were disclosed too late for any effective good to be accomplished. These committees revealed that certain American companies were guilty of putting profit above patriotism, but the damage had already been done.

LET'S DO SOMETHING ABOUT IT

What, then, are we to do? Sit here and permit this double dealing? Or are we to stop it? I for one want to know who these economic traitors are, what they are doing, and how we can stop them. I dare say that the Axis Powers would not be where they are today had this investigation been made a year ago. And I dare say that an investigation now may lead to measures which might shorten this war by several years. Indeed, it might result in changing the entire outcome. On the other hand, an apathetic attitude toward the double-dealing situations which now exist may lead to disaster. By House Concurrent Resolution 30 I propose that we lock the barn before the horse has been stolen. Let your voice be heard. Support me in this effort to save America from further guilt in the nefarious policy of arming the Axis.