

for printing and reference to the proper calendar, as follows:

Mrs. NORTON: Committee on House Administration. House Resolution 880. Resolution providing for the payment of 6 months' gratuity and \$350 funeral expenses to William Earle Griffin, son of Helen M. Griffin, late an employee of the House; without amendment (Rept. No. 3185). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. S. 3519. An act authorizing the Secretary of the Interior to issue a patent in fee to James Chester Stevens; without amendment (Rept. No. 3184). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BROOKS:

H. R. 9899. A bill to authorize the issuance of a special Korean campaign medal; to the Committee on Armed Services.

By Mr. RANKIN (by request):

H. R. 9900. A bill to extend to certain persons who served in the military, naval, or air service on or after June 27, 1950, the benefits of Public Law No. 16, Seventy-eighth Congress, as amended; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FALLON:

H. R. 9901. A bill for the relief of Dr. Leonidas M. Peppas; to the Committee on the Judiciary.

By Mr. GARMATZ:

H. R. 9902. A bill to adjust the status of an alien who is in the United States and who is a quota immigrant; to the Committee on the Judiciary.

By Mr. HERTER (by request):

H. R. 9903. A bill for the relief of Bartholomew H. Donovan; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 9904. A bill for the relief of Stanislas d'Erceville; to the Committee on the Judiciary.

By Mr. PLUMLEY:

H. R. 9905. A bill to authorize the transfer to the Vermont Agricultural College of certain lands in Addison County, Vt., for agricultural purposes; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts:

H. R. 9906. A bill for admission to the United States of Mrs. Margot Kazerski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2410. The SPEAKER presented a petition of Edmond C. Fletcher, Washington, D. C., relative to grievance against the Government of the United States for the impeachment of Hon. Albert V. Bryan, of Alexandria, Va., district judge of the United States for the eastern district of Virginia, which was referred to the Committee on the Judiciary.

SENATE

WEDNESDAY, DECEMBER 13, 1950

(Legislative day of Monday, November 27, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, Thou hast made all the highways of our hearts to lead to Thy face; Thou hast so formed our being that its deepest cravings are satisfied only in Thee. Help us this noontide to lift our faces to Thy radiance, O Thou sun of our help and strength.

Not only for our separate lives do we pray, but for the common interests and great spiritual traditions that bind us all together, for our Nation and its chosen leaders, and for the whole body of our citizens in this time of testing, we crave Thy guidance. In all our decisions set our souls on high things. In this dangerous yet glorious day, when we must choose for ourselves and our civilization life or death, the blessing or the curse, grant us the grace, in scorn of consequence, to set our wills on things worth living for and, if need be, worth dying for. Amen.

THE JOURNAL

On request of Mr. O'CONNOR, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, December 12, 1950, was dispensed with.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,

Washington, D. C., December 13, 1950.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CARL HAYDEN, a Senator from the State of Arizona, to perform the duties of the Chair during my absence.

KENNETH McKELLAR,
President pro tempore.

Mr. HAYDEN thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 9832) to remove marketing penalties on certain long-staple cotton, in which it requested the concurrence of the Senate.

LEAVES OF ABSENCE

On request of Mr. HOEY, and by unanimous consent, Mr. SMITH of North Carolina was excused from attendance on the session of the Senate today, because of public business.

On request of Mr. O'CONNOR, and by unanimous consent, Mr. PEPPER was excused from attendance on the session of the Senate today.

Mr. LONG. Mr. President, tomorrow the junior Senator from Louisiana and the senior Senator from Kansas [Mr.

SCHOEPEL] will conduct subcommittee hearings for the Small Business Committee. I therefore ask unanimous consent that the senior Senator from Kansas and the junior Senator from Louisiana may be absent on official business tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, permission is granted.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. O'CONNOR, and by unanimous consent, the Committee on Public Works was authorized to meet during the session of the Senate today.

On request of Mr. O'CONNOR, and by unanimous consent, the Committee on Armed Services was authorized to meet today during the session of the Senate.

PREVENTION OF CORPORATIONS FROM ACQUIRING ANOTHER CORPORATION BY MEANS OF ACQUISITION OF ITS ASSETS

The Senate resumed the consideration of the bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended.

Mr. O'CONNOR. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement a quorum call is ordered, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Benton	Hoey	Morse
Brewster	Holland	Mundt
Bricker	Hunt	Murray
Bridges	Ives	Neely
Butler	Jenner	Nixon
Eyrd	Johnson, Colo.	O'Connor
Cain	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Robertson
Carlson	Kefauver	Russell
Chapman	Kem	Saltonstall
Chavez	Kerr	Schoeppel
Clements	Kilgore	Smith, Maine
Connally	Knowland	Smith, N. J.
Cordon	Langer	Stennis
Donnell	Leahy	Taylor
Douglas	Lehman	Thomas, Okla.
Dworshak	Long	Thomas, Utah
Eastland	Lucas	Thye
Eaton	McCarran	Tobey
Flanders	McCarthy	Tydings
Frear	McClellan	Watkins
Fulbright	McFarland	Wherry
George	McKellar	Wiley
Gillette	McMahon	Williams
Gurney	Magnuson	Young
Hayden	Malone	
Hendrickson	Martin	

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. ELLENDER] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business, having been appointed a delegate from the Senate to attend the meeting of the Commonwealth Parliamentary Association in Australia.

The Senator from Minnesota [Mr. HUMPHREY] is absent because of illness.

The Senator from Florida [Mr. PEPPER] and the Senator from North Carolina [Mr. SMITH] are absent by leave of the Senate.

The Senator from Alabama [Mr. SPARKMAN] is absent by leave of the Senate on official business as a representative of the United States to the fifth session of the General Assembly of the United Nations.

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate on official business, having been appointed as a delegate from the Senate to attend the meeting of the Commonwealth Parliamentary Association in Australia.

The Senator from Massachusetts [Mr. LODGE] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The ACTING PRESIDENT pro tempore. A quorum is present.

Under the unanimous-consent agreement, the time between now and 2 o'clock is equally divided between the Senator from Maryland [Mr. O'CONNOR] and the Senator from Missouri [Mr. DONNELL].

Mr. DONNELL. Mr. President, I yield 10 minutes to the Senator from Maine [Mr. BREWSTER].

EXEMPTION OF FURLOUGH TRAVEL OF SERVICE PERSONNEL FROM TRANSPORTATION TAX

Mr. GEORGE. Mr. President, will the Senator from Maine yield to me for a minute if he may do so without losing his position?

Mr. BREWSTER. Mr. President, I will do so. I do not want to yield to anyone else, but I yield to the Senator from Georgia, however.

Mr. GEORGE. Mr. President, I ask for the present consideration of House bill 9840.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 9840) to exempt furlough travel of service personnel from the tax on transportation of persons.

Mr. GEORGE. Mr. President, what is proposed to be done by the bill is exactly what was done in World War II. The bill was unanimously reported from the Finance Committee.

Since it is reported with a minor amendment, it is necessary to have it go to the House. I therefore ask for the immediate consideration of the bill.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 9840) to exempt furlough travel of service personnel from the tax on transportation of persons, which had been reported from the Committee on Finance, with an amendment on page 2, line 4, after the word "than" to strike out "2" and insert "2.025."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 9840) was read the third time and passed.

PREVENTION OF CORPORATIONS FROM ACQUIRING ANOTHER CORPORATION BY MEANS OF ACQUISITION OF ITS ASSETS

The Senate resumed the consideration of the bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended.

Mr. BREWSTER. Mr. President, I do not intend to discuss the merits of the bill now under consideration, although I think it will be recognized that it is a measure which has been pending for a long time, and that there have been serious arguments as to its wisdom in view of all its implications and ramifications. It involves questions on which the Senator from Maine has not formed a final opinion, because of the press of many other matters.

It seems to me most unfortunate that this bill is being pressed to a conclusion at the very time when the President of the United States has called the leaders of both sides to the White House to consider the declaration of a total emergency which will involve, we trust, an all-out effort and the mobilization of every possible resource of America in the face of what is certainly the most critical situation that has been faced in our lifetime, and perhaps in the lifetime of our country.

The reason why it seems a peculiarly inappropriate measure to consider is that it involves further placing of responsibilities upon the executive department to take action against possible mergers or growth toward concentration of economic power when, during the last war, as a result of our experience, with the full approval of all members of the administration, the operation of existing legislation of this character was suspended because it was the considered conclusion of all concerned, that it was calculated to hamper production which was the vital element in the winning of the war.

It seems to me, therefore, most unfortunate and most unhappy that this bill is being pressed. I continue to hope very earnestly that those responsible may recognize the wisdom of laying the measure aside. When this consideration was presented to them yesterday, the only reply which the distinguished sponsors of the bill made was that, recognizing it might be necessary to suspend the legislation, it would be just as easy to suspend it as to suspend the other existing legislation on the subject. That seems to me to be a very questionable argument in favor of acting at this time.

Aside from that, however, we are now in the closing days of the session, with a new Congress coming in on January 3, at which time, if happily the crisis in which we find ourselves should pass, there will be time to consider the proposed legislation. That, it seems to me, is the time to act rather than in the closing days of a Congress which has just been reconstituted by the action of the American people.

So on both grounds, that of the war emergency which may require once again suspending not only the existing legislation dealing with the subject but other legislation as well, and that, with but a few days remaining in this session, there are so many other matters pressing it seems to me entirely indefensible to give consideration to legislation of this character. During the closing days of the session, it seems to the Senator from Maine, the complete attention and thought of every Member of the Senate should be given to how we may cooperate with the administration and the country in trying to get the country on a war basis without a day's delay.

We expect there may be a decree of total emergency within 24 or 48 hours. So we are told. Yet, here we are debating a measure which, at the least, must be admitted as being calculated possibly to hamper rather than to give impetus to the war mobilization and effort.

Mr. President, I yield the remainder of my time.

NOMINATIONS OF MEMBERS OF THE NATIONAL SCIENCE BOARD OF THE NATIONAL SCIENCE FOUNDATION

Mr. SMITH of New Jersey. Mr. President, does the Senator from Missouri have the floor?

Mr. DONNELL. I do; yes.

Mr. SMITH of New Jersey. Will the Senator yield to me about 2 minutes in order to make a report from the Committee on Labor and Public Welfare?

Mr. DONNELL. I yield.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is recognized for 2 minutes.

Mr. SMITH of New Jersey. Mr. President, on behalf of the Committee on Labor and Public Welfare, I ask unanimous consent, as in executive session, to report favorably the nominations of 24 individuals to be members of the National Science Board of the National Science Foundation, and in connection with this report to speak briefly on behalf of the committee.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be received and placed on the Executive Calendar.

Mr. SMITH of New Jersey. Mr. President, as one of the original sponsors of the National Science Foundation legislation, together with many of my colleagues on both sides of the aisle, I express the deepest gratification that this measure has been enacted into law, and that now there have been submitted to the Senate the names of 24 eminent educators and scientists to be members of the Board of the National Science Foundation. I am sure that all my colleagues will join me in wishing success to the labors of the National Science Foundation as it begins its important deliberations. This new organization devoted to the pursuit of fundamental science, as all of us know, has an important role to play in promoting the national welfare and the security of the United States.

Mr. President, in reporting these nominations favorably, the committee expresses its view—and in that view I join—that among the 24 nominees there

are a disproportionate number of administrators, as distinguished from research scientists. The committee notes with approval the general high caliber of the individuals nominated, but expresses the hope that when the time comes to appoint successors to the present members, at the expiration of their respective terms, a greater proportion of actual research scientists will be chosen.

In brief elaboration of that point, let me say that we felt that every person who has been nominated is worthy of our support, and we would not for any reason oppose confirmation of any of the nominations. However, the committee felt that there are a disproportionate number of administrators, and relatively too few expert research scientists.

I thank the Senator for yielding time to me.

TRANSACTION OF ROUTINE BUSINESS

Mr. O'CONNOR. Mr. President, I have consulted the Senator from Missouri [Mr. DONNELL], and it is agreeable to both of us that opportunity be given at this time for the transaction of routine business and insertions in the RECORD, without debate.

CREDENTIALS

Mr. KNOWLAND. Supplementary to the telegram from the Governor of California appointing my colleague the junior Senator from California [Mr. NIXON] to serve the unexpired term of Mr. Downey, which was read to the Senate on December 4, I present the official credentials of Mr. NIXON, and ask that they be read.

The credentials were read, and ordered to be placed on file, as follows:

EXECUTIVE DEPARTMENT, STATE OF CALIFORNIA.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of California, I, Earl Warren, the Governor of said State, do hereby appoint RICHARD NIXON a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of Sheridan Downey, is filled by election, as provided by law.

Witness: His Excellency, our Governor, Earl Warren, and our seal hereto affixed at Sacramento, this 1st day of December, in the year of our Lord 1950.

EARL WARREN,
Governor.

By the Governor:
[SEAL]

FRANK M. JORDAN,
Secretary of State.

By CHAS. J. HAGERTY,
Deputy Secretary of State.

Mr. MUNDT presented the credentials of FRANCIS CASE, duly chosen by the qualified electors of the State of South Dakota, a Senator from that State, for the term beginning January 3, 1951, which were read and ordered to be filed, as follows:

STATE OF SOUTH DAKOTA, OFFICE OF THE GOVERNOR.

CERTIFICATE OF ELECTION

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1950, FRANCIS CASE was duly chosen by the qualified electors of the State of South Dakota a Senator from said State to

represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1951.

Witness: His Excellency, our Governor, George T. Mickelson, and our seal hereto affixed at Pierre, this 7th day of December, in the year of our Lord 1950.

GEORGE T. MICKELSON,
Governor.

By the Governor:
Attest:
[SEAL]

ANNAMAE RUFF,
Secretary of State.

Mr. LEAHY presented the credentials of JOHN O. PASTORE, duly chosen by the qualified electors of the State of Rhode Island, a Senator from that State, for the unexpired term ending January 2, 1953, which were read and ordered to be filed, as follows:

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS, EXECUTIVE CHAMBER, Providence.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1950, JOHN O. PASTORE, was duly chosen by the qualified electors of the State of Rhode Island a Senator from said State to represent said State in the Senate of the United States for the unexpired term of 6 years, ending on the 2d of January 1953.

Witness: His Excellency, our Governor, and our seal hereto affixed at Providence this 11th day of December, in the year of our Lord 1950.

JOHN O. PASTORE,
Governor.

By the Governor:
[SEAL]

ARMOND H. COTE,
Secretary of State.

MEMORIALS

Memorials were laid before the Senate, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

Two telegrams in the nature of memorials from the Knights of Columbus of Escanaba, Mich., signed by Alex St. Cyr, and the Fourth Degree Assembly, Knights of Columbus of Sault Ste. Marie, Mich., signed by John P. LaBlanc, remonstrating against the enactment of legislation providing financial assistance to Yugoslavia; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 4235. A bill to authorize the transfer to the Vermont Agricultural College of certain lands in Addison County, Vt., for agricultural purposes; without amendment (Rept. No. 2625).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

H. R. 8349. A bill to authorize deductions from the wages of seamen for payment into employee welfare funds; with an amendment (Rept. No. 2628);

H. R. 8851. A bill to authorize the Secretary of the Treasury to transfer by quitclaim deed to the Brown's Point Improvement Club a portion of a small strip of land at Coast Guard light station facility, Brown's Point, Pierce County, Wash., and to transfer by quitclaim deed the remaining portion of such strip to the county of Pierce, State of Washington; without amendment (Rept. No. 2629); and

H. R. 9681. A bill to authorize the waiver of the navigation and vessel-inspection laws; without amendment (Rept. No. 2630).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 4069. A bill for the relief of Edulji Dinshaw and his sister, Mrs. Bachoo Dinsha Woronzow; without amendment (Rept. No. 2631).

INTERIM REPORT ON CERTAIN PERISHABLE AGRICULTURAL COMMODITIES (REPT. NO. 2626)

Mr. THOMAS of Oklahoma. Mr. President, from the Committee on Agriculture and Forestry, I submit, pursuant to Senate Resolution 173, Eighty-first Congress, an interim report on the present status of certain perishable agricultural commodities under the supervision, management, and control of the Commodity Credit Corporation, and ask that the report be printed.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and printed.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield. Mr. LUCAS. May I inquire of the Senator from Oklahoma whether or not he expects to try to bring up the bill (H. R. 9313) upon which the report is based?

Mr. THOMAS of Oklahoma. The committee held a meeting this morning, and it was practically agreed that it would not ask, as a committee, that the bill be brought up. The bill is on the calendar. However, so far as I know, no member of the committee will ask that the bill be brought up.

Mr. LUCAS. I merely wished to get that information for the RECORD.

Mr. WHERRY. Mr. President, I should like to ask the distinguished majority leader if that means that the bill will not be brought up for consideration this afternoon.

Mr. LUCAS. No; it will not be brought up for consideration this afternoon.

COMPETITIVE FREIGHT ABSORPTION—REPORT OF A COMMITTEE (REPT. NO. 2627)

Mr. JOHNSON of Colorado. Mr. President, from the Committee on Interstate and Foreign Commerce, I submit a report on the status of competitive freight absorption, and request that it be printed.

The ACTING PRESIDENT pro tempore. Without objection, the report will be received and printed, as requested by the Senator from Colorado.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEM:

S. 4251. A bill for the relief of Yee Kee Lam; and

S. 4252. A bill for the relief of Stela S. Ransier; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 4253. A bill for the relief of Mark Yoke Loon and Mark Seep Ming; to the Committee on the Judiciary.

HOUSE BILL REFERRED

The bill (H. R. 9832) to remove marketing penalties on certain long-staple cotton was read twice by its title and referred to the Committee on Agriculture and Forestry.

THE PHYSICALLY HANDICAPPED AND NATIONAL DEFENSE—STATEMENT BY GEN. GEORGE C. MARSHALL

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a statement on the subject The Physically Handicapped and National Defense, by Gen. George C. Marshall, Secretary of Defense, which appears in the Appendix.]

HOLY CITY—EDITORIAL FROM THE WASHINGTON POST

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an editorial entitled "Holy City," published in the Washington Post for December 8, 1950, which appears in the Appendix.]

TIME FOR UNITY—EDITORIAL FROM THE WASHINGTON POST

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Time for Unity," published in the Washington Post of December 9, 1950, which appears in the Appendix.]

USE OF TAX MONEY—EDITORIAL FROM THE OIL CITY DERRICK

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "It's Fun To Spend," published in the Oil City Derrick, of Oil City, Pa., December 9, 1950, which appears in the Appendix.]

A NOTE ON WARS—EDITORIAL BY W. L. WHITE

[Mr. SCHOEPPPEL asked and obtained leave to have printed in the RECORD an editorial entitled "A Note on Wars," written by W. L. White, editor of the Emporia (Kans.) Gazette, which appears in the Appendix.]

PREVENTION OF CORPORATIONS FROM ACQUIRING ANOTHER CORPORATION BY MEANS OF ACQUISITION OF ITS ASSETS

The Senate resumed the consideration of the bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended.

Mr. DONNELL. Mr. President, I yield 5 minutes to the Senator from Vermont [Mr. FLANDERS].

The VICE PRESIDENT. The Senator from Vermont is recognized for 5 minutes.

Mr. FLANDERS. Mr. President, I wish to speak very briefly and state the reasons why I shall oppose the pending bill.

It seems to me that a case has not been made that the increase in concentration is due to the acquisition of assets. This matter brings up a principle to which I am devoted and to which I will remain devoted until I see reasons for changing my devotion. I refer to the principle that no bills should be introduced and no laws enacted unless they are necessary. I fail to see that the necessity for this proposed law has been proved.

The other point on which I wish to speak just as briefly is the argument that the bill is in support of small business. When we consider the vast number of small businesses, amounting to a large percentage, which have to go out of business for one reason or another, there begins to appear an interest on the part of small business in the ability to sell out, instead of having to have a complete liquidation of assets under

unfavorable conditions. Thus, the selling out of small interests to a larger concern—not necessarily one of the giants of industry, but perhaps a large concern for the particular area—is one of the things which should be protected from the small-business standpoint.

For these reasons, Mr. President—first, because I am opposed to the extension of laws or the multiplying of laws for the purpose of simply having more laws; and, second, for the reason that the market for small businesses should not be impaired by putting obstacles in their way, as this proposed law would seem to me to do, I oppose the passage of this bill.

Mr. DONNELL. Mr. President, let me inquire of the Senator from Maryland whether he is ready to proceed at this time.

Mr. O'CONNOR. Several Senators who have expressed a desire to speak are not quite ready. If it is agreeable to the Senator from Missouri for him to proceed now, it will be appreciated if he will do so.

Mr. DONNELL. Very well.

Mr. President, let me ask how much time we have.

The VICE PRESIDENT. The Senator from Missouri has 37 minutes remaining. The rest of the time belongs to the Senator from Maryland.

Mr. DONNELL. Mr. President, I yield to myself 25 minutes.

The VICE PRESIDENT. The Senator from Missouri is recognized for 25 minutes.

Mr. DONNELL. Mr. President, the purpose of this bill, as stated in the report of the majority of the committee, is—

To prevent corporations from acquiring another corporation by means of the acquisition of its assets, where under the present law it is prohibited from acquiring the stock of said corporation.

The Senator from Vermont has referred to the question of whether adequate proof has been presented to indicate that acquisitions of assets of corporations are responsible for the increase in economic concentration. That matter was referred to yesterday in the course of the address made by the Senator from Maryland, and particularly by the citation on my part of the various views submitted by Doctors John Lintner and J. Keith Butters on the effect of mergers on industrial concentrations, which views appear in an article in the February 1950 issue of the Review of Economics and Statistics.

It is not my purpose this afternoon to go further into this question of fact, upon which complicated inquiries obviously are necessary, and upon which the charts which have been presented here by those who favor the bill indicate by their very nature something of the complexity of the questions of fact involved.

I desire to address myself primarily to the effect of the Sherman Act upon assets acquisitions. I submit most respectfully to the Senate that the Sherman Act already makes illegal such assets acquisitions as shall tend to create a monopoly in any section of the country or as shall have the effect of substantially lessening competition in any such section.

The Sherman Act contains, among its provisions, these two:

Every contract, combination in the form of trust or otherwise, or conspiracy—

I emphasize by my voice the word "or," because it obviously indicates something which may differ from the contract or combination previously mentioned.

I repeat:

Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal—

Second:

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor.

Mr. President, I have stated that the Sherman Act already makes illegal such assets acquisitions as shall tend to create a monopoly in any section of the country, or as shall have the effect of substantially lessening competition in any such section. I submit that the two quotations which I have made from the Sherman Act amply justify the statement which I have made.

The case of United States against Steel Co. and others, Three hundred and thirty-fourth United States Reports, page 495, is a suit brought by the United States to enjoin the United States Steel Corp. and its subsidiaries from purchasing the assets—note "the assets"—of the largest independent steel fabricator on the west coast, on the ground that such acquisition would violate sections 1 and 2 of the Sherman Act. Although the proof adduced by the Government failed in that suit to prove its contention that the acquisition of Consolidated—that is, of its assets—would unreasonably lessen competition in the respects charged, and consequently the Court held that the proposed contract was not forbidden by section 1 of the Sherman Act, it is nevertheless obvious that the Court accepted the proposition that the sale of assets, if an unreasonable lessening of competition were proved, would be illegal under section 1 of the Sherman Act. In this connection attention is called to the language of the Court at pages 507 and 508 that—

On the record before us and in agreement with the trial court we conclude that the Government has failed to prove its contention that the acquisition of Consolidated would unreasonably lessen competition in the three respects charged, and therefore the proposed contract is not forbidden by section 1 of the Sherman Act.

In said case of *United States v. Steel Company and others* (334 U. S., L. C. 527), the Court says, with respect to the acquisition of competitors in identical or similar lines of merchandise—the case being, as previously indicated, one in which the purchase of assets was involved—

If such acquisition results in or is aimed at unreasonable restraint, then the purchase is forbidden by the Sherman Act.

By reason of the use by the court of the term "unreasonable restraint," it is

obvious that the provision of the Sherman Act by which the court considered that said purchase would be forbidden in section 1, which declares to be illegal every contract, and so forth, "in restraint of trade."

Mr. President, in my opinion the provision of said section 1 of the Sherman Act declaring illegal every contract, and so forth, "in restraint of trade or commerce among the several States, or with foreign nations" includes, within its scope, any tendency of an assets acquisition to substantially lessen, hinder, or suppress competition.

In *Shotkin v. General Electric Company and others* (171 Fed. (2d) 236, U. S. C. A., 10th Cir., decided December 2, 1948) the defendants were charged under sections 1, 2, 3, 4, 7, and 15 of the Sherman Antitrust Act. The court in that case, local citation 23, said:

But regardless of the intent of the parties, if the inherent tendency of the combination, agreement, or concert is substantially to lessen, hinder, or suppress competition in the channels of the trade or commerce, it comes within the sweep of the act. (*Fashion Originators' Guild v. Federal Trade Commission* (312 U. S. 457, 668 [468], 61 S. Ct. 703, 85 L. Ed. 949).)

Mr. President, the reason for my opinion that the Court in the language so quoted, is referring not to section 2 of the Sherman Act, which is the section relative to monopolization, but to section 1, the section which relates to contracts, combinations, or conspiracies in restraint of trade, was set forth yesterday in the RECORD through an insertion which I made at page 16439; and I shall not go further into that reason.

Mr. President, I have thus indicated the applicability of the Sherman Act to such assets acquisitions as shall tend to create a monopoly in any section of the country, or as shall have the effect of substantially lessening competition in any such section. I desire to call attention to the fact that the pending bill, H. R. 2734, contains language, however, which is not in the Sherman Act. It will be recalled from what I have read that the Sherman Act is positive. It declares every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations, to be illegal. The bill, H. R. 2734, however, injects, as I see it, an element of uncertainty, to which I call the attention of the Senate. The bill provides that—

No corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire the whole or any part of the assets of another corporation engaged also in commerce, wherein any line of commerce in any section of the country, the effect of such acquisition—

I emphasize the next two words by my voice—

may be substantially to lessen competition, or to tend to create a monopoly.

The Sherman Act is itself clear and definite. The bill is clouded by the uncertainty of the quoted language.

The Senator from Wyoming, who spoke yesterday on the subject of this bill, in the Eighty-first Congress, first session, made certain observations in connection with the bill, S. 1008, and those observations of his are, I think, in point in connection with the use of the words "may be" in H. R. 2734. I call attention to the fact that at page 11344 of the CONGRESSIONAL RECORD of the Eighty-first Congress, first session, we are informed, at pages 166 and following, of the hearings on H. R. 2734, that the Senator from Wyoming said this:

Mr. President, the difference between the word "will" and the word "may" is almost as great as the distinction between the poles. Under the Kefauver amendment, this law will read, if it is enacted—and I hope it will be—that delivered prices or freight absorption independently practiced by an industrialist are not in violation of the Clayton Act unless they will have the effect of violating the antitrust laws. I prefer the word "will" to the word "may" because, if we use the word "may," no one under the sun can tell what the law means, because "may" conveys into the hands of some future Federal Trade Commission the power to hold that these two practices to be illegal, although the Federal Trade Commission now say they are not illegal. That is all in the world that this bill proposes to do. * * *

What more can Senators ask? Do Senators wish to go beyond that and say, "We are not satisfied with the requirement that there will not be injury to competition. We want something more. We want the Federal Trade Commission to be able to say, 'Well, perhaps there is no present injury but perhaps there may be some injury in the future.'"

So, Mr. President, with his usual clarity and graphic power of statement, the Senator from Wyoming, in his comments on the difference between the word "will" and the words "may be," in his discussion of Senate bill 1008, comes to the conclusion that—

If we use the words "may be," no one under the sun can tell what the law means.

Mr. President, the uncertainty of meaning in the pending bill, where it is declared to be prohibited that any corporation shall acquire these assets, when, in any line of commerce in any section of the country, "the effect of such acquisition may be to substantially lessen competition or to tend to create a monopoly," I say that the uncertainty of meaning which results from the use of the words "may be" may seriously interfere with or even destroy the market for a small business. We realize, I think as matter of senatorial notice, if "judicial notice" is not the proper expression, the difficulty of selling a business nowadays to a person who is not already engaged in the same type of business and the consequent practical necessity, in many cases, that if a particular owner of a business desires to dispose of his business he must sell it either to a corporation or other company already operating in the same line, or not sell it at all. Yet, under this bill, the purchaser of the assets finds that the purchase which he has made will be illegal and can be divested if the effect of such acquisition "may be" substantially to lessen competition or to tend to create a monopoly.

I take it to be clear that it would deter purchasers from investing their money

in the purchase of assets when they are confronted with the possibility of determining, in view of this language, whether the acquisition of the assets will or will not be ultimately held to have been invalid.

So, Mr. President, from the standpoint of the proposed seller of the assets, I take it that this bill, by interposing this vagueness, this uncertainty by the use of the words "may be," is injecting something which may be of very great injury to the owner of a small business who desires to sell, but finds that the purchaser is fearful of the outcome of the purchase because of the difficulty of knowing whether the purchase will or will not be valid after it is concluded.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. DONNELL. I yield.

Mr. LONG. I was curious to know whether the words "may be" have not been at least interpreted by the courts in many cases. It was my impression that the court, in the Morton Salt Co. case, had occasion to interpret the words "may be." Therefore, are we not probably going to make it much more difficult than it already is?

Mr. DONNELL. I assure the Senator that I had, a little further on in my remarks, intended to and shall discuss the very case to which he refers, namely, the Morton Salt Co. case, and one or two other cases along that line.

I wish to say that this fear, this apprehension, this possibility of an impediment in the way of selling a business is not a mere fanciful one; at least, it is not so regarded by some of the witnesses who appeared before the Judiciary Committee of the Senate.

I referred yesterday to the testimony of Mr. James L. Donnelly, executive vice president of the Illinois Manufacturers' Association, Chicago, Ill. Mr. Donnelly testified, at page 294 of the hearings, as follows:

The Illinois Manufacturers' Association embraces approximately 4,000 member firms. The members of the association include industries of all sizes, large, small, and middle sized, engaged in a wide variety of production.

However, the great majority of the members of the IMA are small. Thirty percent employ less than 20 persons; 40 percent less than 50 persons; 60 percent less than 100 persons; and 70 percent less than 200 persons.

The Illinois Manufacturers' Association, therefore, in fact speaks for the small manufacturing industries in Illinois. The manufacturers in our State, large and small, are opposed to this measure.

We believe the situation in Illinois with reference to the sizes toward this legislation is typical of the situation that prevails in other industrial States.

This measure, now pending consideration in the United States Senate, would amend section 7 of the Clayton Act so as to prohibit not only stock acquisitions but also the acquisition by one corporation of any part of the assets of another where "in any line of commerce in any section of the country" the effect may be substantially to lessen competition, or to tend to create a monopoly.

In other words, the bill would forbid any corporation no matter how small that it is engaged in commerce, no matter in how small a degree, to acquire any assets of another corporation, no matter how small, where, in any line of commerce, no matter

how small, in any section of the country, no matter how small, the effect of such acquisition may be substantially to lessen competition, no matter in how small a degree.

The Illinois Manufacturers' Association is opposed to this measure.

Mr. President, I should like at this point in my argument to read what Mr. Donnelly said with respect to one of the reasons why his organization opposes this proposed legislation. He said, at page 295 of the hearings:

The second reason why we oppose this legislation is that the measure would injure small business. This measure represents, in substance, a renewal of the effort that has been made for years to induce Congress to so amend the antitrust laws that the opportunities of small companies to sell their businesses would, in effect, be restricted.

This measure, in effect, is based upon the premise that business development results only from the building of new plants, facilities, et cetera, and that such development should never follow the lawful acquisition of the assets of a competitive company.

This philosophy is particularly unfortunate in its application to thousands of smaller business firms.

Frequently a small business, on account of Government taxation policies, internal difficulties, business conditions, death, ill health, age, and many other sound considerations, is required to sell its assets, and in many cases, the only market for such sale is among competitors. This measure would, in effect, prevent the sale of said assets to a competitor.

The measure would, in effect, freeze the assets of many small business firms and prevent their expansion or further development. This result, of course, would be directly contrary to the expressed intention of the advocates of the measure, i. e., to protect small business against larger concerns.

Mr. President, I shall quote also from the testimony of Mrs. Katherine Parsons, Associate Director of the Employers Advisory Division, Pennsylvania Manufacturers' Association. When testifying before the subcommittee, she stated:

As the venture capital of individuals becomes scarcer, small- and medium-sized corporations faced with the necessity of selling found that the markets for their businesses were restricted to some larger corporation, usually a competitor.

It is an indisputable fact that this legislation—

She was speaking of House bill 2734—will now remove this principal remaining market for small- and medium-size businesses in the event that sale becomes necessary. The physical properties would have to be disposed of piecemeal at salvage prices. The good will and reputation that the company may have built up over the years would bring in nothing to the stockholders.

Mr. President, the Commerce and Industry Association of New York, Inc., in a memorandum which is printed in the hearings before the subcommittee, stated:

The small corporate business is usually a family enterprise, or a so-called closed corporation; in either case the stock is closely held by relatively few individuals. Personal incentive and ability are the principal ingredients for its success; and in the absence of extreme, pressing circumstances the small business is not bought or sold. The factors motivating such sales are quickly enumerated; death or illness or the retirement of a principal shareholder, bad business conditions in the face of small operating capital,

personal or immediate tax problems, are the ones most frequently responsible.

When small business runs afoul of such circumstances, the only market usually available is among competitors in the same field. This bill would forbid competitors to purchase, and a small business would find it was unable to offer itself as a going concern to the highest bidder; virtually, it would of necessity be disposed of as at a forced sale; good will and the repute it may have earned as a going business would be lost to its stockholders.

Mr. President, there was brought to my office this morning, entirely without solicitation on my part, a letter dated December 12, 1950, on the letterhead of National Milk Producers' Federation. I should like to read the letter into the RECORD. It is as follows:

NATIONAL MILK PRODUCERS FEDERATION,
Washington, D. C., December 12, 1950.
The Honorable FORREST C. DONNELL,
The Senate Office Building,
Washington, D. C.

DEAR SENATOR DONNELL: For several years the National Milk Producers Federation has been deeply concerned over various legislative proposals which would hamper or interfere with the development and expansion of business concerns, including farmers' cooperatives. At the thirty-fourth annual convention of the federation, held in Minneapolis, Minn., in November 1950, the voting delegates reiterated by resolution our position with respect to this matter. The following resolution was adopted:

"We are opposed to legislation which would prevent the normal development of any business by restricting it in the acquisition of the assets of other corporations or businesses."

In line with the above resolution, we desire to register our opposition to the bill H. R. 2734 now under consideration by the Senate. We wish to make clear that we do not sanction monopolies, and sound and effective legislation designed to prevent monopolistic control, whether by industry, labor, or agriculture, will receive our support. However, in our opinion, H. R. 2734, worthy as its objectives may be, does not, among other things, contain clear and definite provisions which will permit the normal expansion of business.

Your leadership in opposing the proposed legislation is very much appreciated by the membership of our federation.

Very truly yours,

CHARLES W. HOLMAN,
Secretary, National Milk Producers
Federation.

The VICE PRESIDENT. The 25 minutes which the Senator had allotted to himself have expired.

Mr. DONNELL. I believe I have 12 minutes remaining.

The VICE PRESIDENT. That is correct.

Mr. DONNELL. I allow myself five additional minutes.

The VICE PRESIDENT. The Senator from Missouri is recognized for 5 minutes.

Mr. DONNELL. The Senator from Louisiana [Mr. LONG] inquired in regard to the construction placed upon the word "may" by the courts. That involves a very interesting situation, as is disclosed in the decisions of the Supreme Court of the United States. In my minority views I have mentioned the decisions to which the Senator from Louisiana refers.

Mr. President, the fact is that the Supreme Court of the United States in the

case of *Federal Trade Commission v. Morton Salt Company* (334 U. S. 37, at page 46) said:

The statute requires no more than that the effect of the prohibited price discriminations "may be substantially to lessen competition. * * * or to injure, destroy, or prevent competition." After a careful consideration of this provision of the Robinson-Patman Act, we have said that "the statute does not require that the discriminations must in fact have harmed competition, but only that there is a reasonable possibility that they 'may' have such an effect."

The Supreme Court then cites *Corn Products Co. v. Federal Trade Commission* (324 U. S. 726, 742, and refers to note 14). In note 14 the Court states:

This language is to be read also in the light of the following statement in the same case, discussing the meaning of section 2 (a), as contained in the Robinson-Patman Act, in relation to section 3 of the Clayton Act:

"It is to be observed that section 2 (a) does not require a finding that the discriminations in price have in fact had an adverse effect on competition. The statute is designed to reach such discriminations 'in their incipiency,' before the harm to competition is effected. It is enough that they 'may' have the prescribed effect."

The Court then cites the case of *Standard Fashion Co. v. Magrane-Houston Co.* (258 U. S. 346, 356-357).

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DONNELL. I am afraid I shall have to be excused from yielding at this point.

Mr. KEFAUVER. I should like to ask only one brief question if I may. If there was any confusion as a result of the Morton Salt Co. case concerning the use of the word "may," was that not entirely clarified by the Supreme Court in the case of *Standard Oil Co.* against the United States?

Mr. DONNELL. Mr. President, I shall answer the Senator by quoting from that case. I shall continue to quote from the Morton Salt Co. case at page 46. Note 14 continues:

"But as was held in the *Standard Fashion* case, supra, with respect to the like provisions of section 3 of the Clayton Act, prohibiting tying clause agreements, the effect of which 'may be to substantially lessen competition,' the use of the word 'may' was not to prohibit discriminations having 'the mere possibility' of those consequences, but to reach those which would probably have the defined effect on competition."

In the *Standard Oil* case, to which the Senator from Tennessee has referred, the Court says, in Three Hundred and Thirty-seventh United States Reports 293, at page 300:

The *Standard Fashion* case, the first of the five holding that the act had been violated, settled one question of interpretation of section 3. The Court said:

"Section 3 condemns sale or agreements where the effect of such sale or contract of sale 'may' be to substantially lessen competition or tend to create monopoly * * * But we do not think that the purpose in using the word 'may' was to prohibit the mere possibility of the consequences described. It was intended to prevent such agreements as would under the circumstances disclosed probably lessen competition or create an actual tendency to monopoly" (258 U. S. at 356-57). See also *Federal*

Trade Commission v. Morton Salt Co. (334 U. S. 37, 46, note 14).

The Morton Salt Co. case, as will be recalled, is the one in which the Corn Products case is cited to the effect that "the statute does not require that the discriminations must in fact have harmed competition, but only that there is a reasonable possibility that they 'may' have such an effect."

The note which I read indicates that "the use of the word 'may' was not to prohibit discriminations having 'the mere possibility' of those consequences, but to reach those which would probably have the defined effect on competition."

The PRESIDING OFFICER (Mr. McMAHON in the chair). The additional time which the Senator has allotted to himself has expired.

Mr. DONNELL. I yield myself the remainder of my time.

The PRESIDING OFFICER. The Senator is recognized for seven additional minutes.

Mr. DONNELL. I take it that under this state of the decisions it is difficult to determine what is the meaning of the word "may" as defined by the Supreme Court. In *Standard Oil Company of California against United States* the Court quotes from the *Standard Fashion Co. case*, which is mentioned in note 14 to the Morton Salt Co. case, which *Standard Fashion case* used the word "probably." But the Court, in the *Standard Oil case*, also refers to the Morton Salt case, which is later than the *Standard Fashion case*, which Morton Salt case quotes the Corn Products case in the use of the term "reasonable possibility."

It may be, Mr. President, and I am inclined to think it is true, that the word "may" probably does not have the meaning of "mere possibility" but may mean either the "reasonable possibility" or, at most, the "probability" under "the circumstances disclosed." I think it is true that this is the probability as to what the word "may" means, namely, either "reasonable possibility," or at most, the "probability" under "the circumstances disclosed." However, the point I make is that obviously it will, prior to final adjudication, be in many specific cases difficult if not impossible to be certain whether or not the effect of a specific acquisition of assets may be substantially to lessen competition or to tend to create a monopoly.

This uncertainty is what, to my mind, is reasonably to be expected to cause injury to the owners of a business who may desire to dispose of such business.

The Sherman Act, to which I have referred, is not limited to the punishment of consummated violations. It will be recalled that injunctions under section 4 of the Sherman Act will lie. It will also be recalled, Mr. President, that yesterday in the course of the debate I referred to Mr. Montague, who testified before our subcommittee as to what the Sherman Act is today construed to mean. Mr. Montague was referred to by the distinguished Senator from Wyoming [Mr. O'MAHONEY] as a very good lawyer. On this point Mr. Montague testified:

Today that act empowers the Attorney General to apply to the court for an injunc-

tion ab initio, or criminal sentence, or divestiture decree in respect of any economic concentration, be it existing or incipient, whether a person, firm, or corporation, or group of them, which has power to raise prices, or to exclude competition, in any section of the country, even though it is only incipient, and never exercises such power.

Mr. President, I had intended to quote from the *American Tobacco Co. case*, a good portion of which is set forth at page 14 in my minority views, but the time is too short for me to have the opportunity to do so. I may say that the quotation set forth in the report from the *American Tobacco Co. case* refers to section 2 of the Sherman Act. Nevertheless, to my mind, the same reasoning applies with respect to section 1. The general point is to quote from the *American Tobacco Co. case*, Three Hundred and Twenty-eighth United States Reports, page 781:

A correct interpretation of the statute and of the authorities makes it the crime of monopolizing, under section 2 of the Sherman Act, for parties, as in these cases, to combine or conspire to acquire or maintain the power to exclude competitors from any part of the trade or commerce among the several States or with foreign nations, provided they also have such a power that they are able, as a group, to exclude actual or potential competition from the field, and provided that they have the intent and purpose to exercise that power. (See *United States v. Socony-Vacuum Oil Co.* (310 U. S. 150, 226, note 59) and authorities cited.)

At page 810 the Court states:

Neither proof of exertion of the power to exclude nor proof of actual exclusion of existing or potential competitors is essential to sustain a charge of monopolization under the Sherman Act.

In *Fashion Originators Guild v. Federal Trade Commission* (312 U. S. 457) the decision is to similar effect.

Mr. President, I desire to close my remarks today by referring to the point made yesterday by the Senator from Tennessee [Mr. KEFAUVER] to the effect that I had taken two positions that appeared to be quite irreconcilable. May I inquire how much time I have remaining?

The PRESIDING OFFICER. Three minutes.

Mr. DONNELL. On page 16452 of the RECORD the Senator from Tennessee points out that one of the positions I take is that the bill is unnecessary, since the Sherman Act already makes unlawful asset acquisitions which tend to create a monopoly or have the effect of substantially lessening competition, and that the second position I have taken is that the bill would produce harmful effects by introducing new elements of uncertainty into the law, so that businessmen would be unable to determine in advance whether a proposed acquisition would be illegal.

The Senator from Tennessee concludes with this observation:

Certainly, if the bill does no more than confer upon the Federal Trade Commission the same jurisdiction over the subject matter which now rests with the Attorney General under the Sherman Act, no new uncertainty will be introduced into the law by the proposed legislation.

There is no irreconcilability between the two positions which I take. It is true that the Sherman Act already makes unlawful asset acquisitions which tend to create a monopoly or which have the effect of substantially lessening competition. It is likewise true that the bill itself, House bill 2734, by introducing the words "may be," with the obvious uncertainty as to their meaning, does have the effect of introducing new elements of uncertainty into the law.

As the situation is today, the courts, under the Sherman Act, can in advance prevent by injunction the consummation of any transaction of the nature described which tends to create monopoly or which has the effect of substantially lessening competition. The effect of the bill is not only to introduce into the law uncertainty as to what asset acquisitions may be illegal and what may be legal; but, in addition, it gives to an administrative body, the Federal Trade Commission, the power which could be and should be exercised by a court.

So, Mr. President, I submit, in the first place, that the Sherman law at this time provides adequate remedy to cover the situation. I submit that there is strong reason in the minds of many persons who believe that the passage of this bill would be, as Mr. Donnelly, of the Illinois Manufacturers Association, and others have testified, an interference with small business in the sale of businesses.

I submit that the language of Mr. Holman, of the Milk Producers Federation, is highly persuasive and should be borne in mind by the Senate.

Mr. O'CONNOR. Mr. President, I yield 15 minutes to the able junior Senator from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. President, the concluding observation of the distinguished Senator from Missouri was to the effect that the passage of this bill was unnecessary because the Department of Justice already has the power, under the Sherman Antitrust Act, to secure an injunction in advance of a merger, in the event that it would result in monopoly.

The latest statement of the law as to what constitutes monopoly, per se, under the Sherman Act is contained in the decision of the special court which was established to hear the *Aluminum Co. case*, owing to the fact that several members of the Supreme Court had been officials of the Department of Justice and therefore had to disqualify themselves. In its decision, which I understand, in substance, at least, has been approved by the Supreme Court in later decisions, the Court held that if one company held 33 1/3 percent control of the business in a particular line or industry, the Sherman Act would not be violated by that fact alone; that if it held 66 percent control, the Sherman Act might or might not be violated, depending upon the circumstances; and that, if it held 90 percent control, the act would definitely be violated.

I think we must all concede that somewhere before we reach the point of 90 percent control by a single company, we have a duty to perform, if we are to preserve the free enterprise system and

retain some kind of competition in our economy. We simply cannot afford to wait until one corporation has a 90-percent control, or even a 66-percent control. Yet, that is what we are required to do under the most recent announcement or finding by the Supreme Court as to what constitutes monopolization.

When the Columbia Steel case was first brought and was pending, I remember very distinctly that the distinguished lawyer to whom the Senator from Missouri referred, Mr. Gilbert Montague—who is indeed a very capable lawyer and has been most effective in contesting this bill over a period of many years—based his argument against this bill on the ground that the Department of Justice has wisely brought the Columbia Steel case, and that if the position of the Department of Justice prevailed in that case—as he was sure it would—the problem of monopolistic mergers could be adequately taken care of by the Sherman Act, thus making unnecessary the passage of this bill.

Of course, as we all know, when the Department of Justice lost the Columbia Steel case, that argument lost its force, particularly since the merger involved represented a very substantial acquisition with a substantial effect upon competition. I believe that if section 7 of the Clayton Act had been amended as the pending bill proposes, the acquisition which was made by the United States Steel Corp. in that case would not have been permitted.

The second point made by the distinguished Senator from Missouri is in connection with the use of the word "may" or "will." It is true that the Morton Salt Co. case resulted in some confusion as to just what the term "may be" meant, and that there the Supreme Court may have approached the "possibility" definition. However, any argument on that point has been very definitely settled by the later and subsequent decision of the Supreme Court in *Standard Oil Company of California v. United States* (337 U. S.). As has been stated by the distinguished Senator from Missouri, in that case the Supreme Court said:

But we do not think that the purpose in using the word "may" was to prohibit the mere possibility of the consequences described. It was intended to prevent such agreements as would, under the circumstances disclosed, probably lessen competition or create an actual tendency to monopoly.

The Senator from Missouri seemed to think that by virtue of the fact that following this quotation the opinion said "See also Federal Trade Commission against Morton Salt Co.," the court referred back to the Morton Salt Co. case in such a way as to approve the language in the Morton Salt Co. case; but I believe that since the opinion does not say that the court approves the Morton Salt Co. case, and since it lays down another rule—the old rule of probability—the statement "See also Federal Trade Commission against Morton Salt Co." is included merely for the benefit of lawyers who may wish to compare the definitions by the court in those two decisions.

Hence, I do not think there can be any doubt as to what the term "may be," as used in this bill, means. It has been a part of the Clayton Act, of course, since it was passed in 1914. But I think the distinguished Senator from Maryland [Mr. O'CONNOR] in the majority report very wisely stated the legislative intent. Consequently, there cannot possibly be any misunderstanding as to what the words "may be" mean. That expression of the legislative intent will be found on page 6 of the report, under the heading "The scope of the words 'may be':"

The use of these words means that the bill, if enacted, would not apply to the mere possibility but only to the reasonable probability of the prescribed effect, as determined by the Commission in accord with the Administrative Procedure Act.

This is followed by additional language to the same effect. Yesterday the distinguished Senator from Wisconsin [Mr. WILEY], and also the distinguished Senator from Maine [Mr. BREWSTER], raised a point which I think should be very definitely answered at this time. These two Senators suggested that some mergers may be desirable during the industrial mobilization period and that this bill might stand in the way. Their point is, as I understand it, that some concerns that would otherwise be squeezed out may, by merging with other firms, be in a better position to get war business and the scarce materials necessary for the war business. One of the principal reasons why this bill is needed right now rests on this very point, in my opinion. The point of the bill is to protect business concerns—and particularly the smaller firms—from the very squeeze which forces them to merge in order to get war business. Our history plainly shows that every war period this country has ever been through has resulted in a great increase in concentration of industry. One might think that the great expansions of industrial capacity which have always taken place in the periods of defense mobilization would provide the opportunity for just the reverse tendency. One might think that such rapid expansions of productive capacity would provide an opportunity for the creation of new business firms and for the growth of small business; but just the opposite has always been true.

One of the reasons why increased concentration of industry has always come about in such periods is that war, and the preparation for war, inadvertently creates shortages of many of the basic industrial materials. Most of our basic industrial materials—steel, aluminum, copper, and a host of others outside of agriculture—are controlled by highly concentrated industries. A relatively few giant corporations are able to determine which buyers shall have essential materials and how much. Consequently, these large corporations are in a strategic and, I might add, a very tempting position, to starve out buyers for the purpose of taking them over. The industrial mobilization program does not in any way reduce the necessity for this bill. On the contrary the industrial mobilization program makes the bill even more necessary than it would be if

there were no industrial mobilization and no shortages of basic industrial materials.

I should like to call attention to some of our merger experiences during the World War II period. During this period the big steel companies took over virtually one entire steel fabricating industry—namely, the steel drum industry. The steel drum industry, incidentally, is one in which the steel corporations had had no interest at all prior to World War II. This is what Iron Age, the recognized voice of the steel industry had to say about the steel drum industry:

Long, long ago, in 1939, before the words "postwar" and "planning" were wedded, the manufacture of heavy steel barrels and drums was a rather volatile business firmly in the hands of a large number of highly individualist entrepreneurs. Most of these fabricators had started on a precarious shoestring and were justifiably vocal in their pride of success in the classical Horatio Alger pluck and luck tradition.

First, I might point out that prior to around 1930 the major steel producers confined their operations to the manufacture of the basic steel shapes and forms. They had gained control of the various processes in the manufacture of steel back through iron ore and the various raw materials, but they had not moved forward to acquire their customers, the small fabricators of steel.

I should like to quote an eminent authority on corporation finance on this point. This is a quotation from Prof. E. S. Mead, who in 1930 published a book called *Corporation Finance*. Professor Mead stated:

Vertical consolidation in the steel industry stopped with the raw material of other industries. The steel corporation sells its products to machine-tool builders, building erectors, automobile manufacturers, manufacturers of agricultural machinery, railroads, public utilities, and a variety of other industries which use steel as raw material of their operations. The steel corporation has not, however, gone into these industries either to own or operate. It stops short at the line of rails, sheets, plates, billets, wire, and structural shapes.

Hardly had this book been published, however, when the steel industry began to edge forward into the fabricating fields to acquire smaller independent manufacturers. For example, in 1930, the United States Steel Corp. purchased the Oil Well Supply Co., one of the largest established organizations in its field. In 1936, United States Steel bought out the Virginia Bridge Co., formerly one of its principal customers for structural steel. Bethlehem Steel also undertook to follow this trend of buying into the fabricating field around this time. In 1931, it purchased the McClintic-Marshall Corp., a firm which was fully equipped for the construction of bridges, tanks, river barges, and so forth. Republic also got into the fabricating fields by purchasing, for example, the Nile Steel Products Co., one of the Nation's largest producers of steel containers.

During World War II, and in the shortage period following, the steel producers held the power of life and death over fabricators. In this period of shortages they could determine whether

or not they would ship steel to a particular fabricator. When a steel corporation had designs on a particular fabricator, or when such fabricators happened to be in the same business as one of the steel companies' own subsidiaries, naturally he stood a poor chance of getting steel. Terrific pressures were brought upon independent fabricators, either to join up with one of the giant steel producers, or face the alternative of doing without essential materials.

The large steel producers had a double motive in exerting such pressure; they could make greater wartime profits by channeling their steel into their own fabricating subsidiaries and they could prepare themselves for a postwar market, and its high profits, by bringing pressure on the independent fabricators to become part of their organization.

This is not theory. It is actual experience. Let us not assume that the large steel companies were so busy turning out steel for the war effort that they did not step out and acquire other companies.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KEFAUVER. Mr. President, will the Senator from Maryland yield me five more minutes?

Mr. O'CONNOR. Mr. President, I am very happy to do so.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for five more minutes.

Mr. KEFAUVER. The war emergency was no reason for them to stop expanding by the merger process. Let me cite some of the acquisitions made by United States Steel Corp. In the field of steel drums, United States Steel Corp. in 1943 bought the Petroleum Iron Works; in 1944 it bought the Bennett Manufacturing Co. As a result of these two mergers, plus an earlier merger with Boyle Manufacturing Co., Inc., in 1939, the United States Steel Corp. became the country's largest producer of steel drums. United States Steel Corp. now owns nearly 25 percent of all the steel drum fabricating capacity in the United States. It is the largest fabricator of steel drums on the Pacific coast, in the Houston region, and in the New Orleans area; and it is one of the leading producers in the Chicago and Cleveland-Pittsburgh areas.

United States Steel's war and postwar acquisitions of steel fabricators have not, of course, been confined to the steel-drum business. Here are a few examples of the previously independent steel customers who have been acquired by the steel corporations. These include two oil-well-machinery producers, the Witte Engine Works, of Kansas City, Mo., merged in 1944, and the Neilson Pump, of Long Beach, Calif., merged in 1945. United States Steel also bought out the Savannah Wire Cloth Mills in 1940, and in 1943 purchased the assets of the Morse Steel Co., of Milwaukee, Wis., immediately following the war. Finally, United States Steel bought out one of the largest steel fabricator corporations in the country. This was the famous purchase of the Consolidated Steel Corp., a merger which the Supreme Court held could not be stopped by the Sherman Act. That is

the merger referred to in the case I was discussing a little while ago.

The record on this bill and the voluminous reports issued by the Federal Trade Commission cite voluminous instances where the giant steel producers have been buying up their customers under the stress of shortages in basic materials.

No one has a better knowledge of the hardships wrought upon independent fabricators during this period of steel shortages than does the Senator from Nebraska [Mr. WHERRY], who was chairman of the Senate Small Business Committee during the Eightieth Congress. The Senate Small Business Committee, under the chairmanship of the distinguished Senator from Nebraska, made a study and report on this problem. That report is entitled "Changes in the Distribution of Steel, 1940-1947." It contains the results of a survey covering the 14 largest steel companies in the country, and accounting for 85 percent of all the Nation's steel capacity. The report shows that when supplies of steel were short in 1947, the big steel corporations greatly increased the supplies of steel shipped to their own fabricating subsidiaries, and correspondingly reduced the amounts shipped to independent fabricators. I should like to quote a passage from the report submitted by the distinguished Senator from Nebraska. Referring to the increased allowances of steel made to the fabricating subsidiaries of these 14 big steel companies, the report states:

The increase was much more pronounced in the case of those particular steel products which constitute the principal raw materials consumed by the fabricating companies that have been acquired—specifically, hot-rolled sheet, cold-rolled sheet, and hot-rolled strip * * * the proportions * * * [of their products] moving to fabricating subsidiaries roughly doubled between 1940 and 1947.

The report concluded:

The substantial increase in the proportion of sheet steel flowing to fabricating subsidiaries does not necessarily mean that the old subsidiaries receive more than their historical quota permitted nor that the new subsidiaries obtained more than they would have secured as independent companies. But it does mean that the proportion of the Nation's output which moves within what might be called the closed circle of steel-company ownership has been significantly increased, a conclusion which is only an inevitable byproduct of the steel companies' recent acquisitions of fabricating companies.

In short, Mr. President, it is more important to stop the increase of monopolistic mergers during the mobilization period than at any other time. We must avoid the terrible hardships imposed on small, independent businesses during the recent war and postwar periods, when the giant corporations took advantage of the shortages to expand their empires. During periods of short supply the giant corporations will always favor their own fabricating subsidiaries, in preference to independent fabricators. They always keep an eye out for opportunities to buy up independent fabricators. Indeed, in the current mobilization period they are in a pivotal position to bring about more

monopolistic mergers. This amendment to sections 7 and 11 of the Clayton Act will go a long way in stopping this monopolistic trend, and in making it possible for small, independent businesses to survive and prosper.

I yield back the remainder of my time, Mr. President.

Mr. O'CONNOR. Mr. President, I yield to the senior Senator from Vermont [Mr. AIKEN] 5 minutes.

The PRESIDENT pro tempore. The Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, the bill we are now considering is one of the more important bills which we have had before us at this session of Congress.

If enacted, the bill not only will be an instrument of the Federal Trade Commission in curbing monopolies, but, more important, it will evidence an intention on the part of the Congress to prevent monopolies.

That the concentration of business in the hands of a few persons has always been regarded as an evil is indicated by the enactment of the Clayton Act in 1914 and the enactment of the Sherman Act, which was passed by the Congress long before that time.

Although the Sherman Act serves as an instrument for breaking up monopolies or trusts, it did not suffice to prevent their organization. By means of the Clayton Act, the Congress sought to remedy that over-all defect. However, the Clayton Act has been found ineffective by reason of a Supreme Court decision validating a loophole which permits a strong corporation to acquire the assets of its smaller competitors, thereby achieving a virtual monopoly.

Mr. President, why is it so important that we find a way to prevent the concentration of business into a few hands? It is important for the same reason that it is important to prevent the concentration of political power. The United States already has gone too far along both those roads.

During the hearings, it was testified by Dr. Willford I. King, an opponent of this bill, that one-tenth of 1 percent of the corporations of the United States now control 49 percent of the total assets of all corporations. The concentration of political power in Washington has brought us to a point where there is grave doubt in the minds of many persons as to whether the United States can long survive as a first-rate Nation. The concentration of power, either economic or political, in the hands of a few persons is a breeder of weakness, discontent, and, finally, revolution.

Today we are fighting for the survival of democracy. For over a century, the United States has maintained a position as the citadel of democracy, because in this country more opportunities were open to more persons than anywhere else on earth. If we are to maintain our proud record as a democratic Nation and our position as a leader among nations, we must continue to maintain political and economic opportunity for our people.

All of us know too well what has happened in countries where opportunity has been vested in the hands of a few.

The result has been that either socialization or a totalitarian form of government has taken over, the middle classes have disappeared, and there have been left only a ruling class and a great mass of underprivileged people who seek to overthrow the ruling class at the first opportunity.

Today we are fighting communism. We have dispersed all over the earth our resources and our armed strength. We ought to know, and we do know, that communism is something which cannot be defeated by force of arms. It cannot be defeated solely by propaganda, no matter how good the propaganda may be. It can be defeated only by example. We can maintain democracy in the United States only by making democracy work here.

It is not a crime to desire monopoly. That is an inherent human urge. However, the effective maintenance of a democratic government requires that collectively we devise a means of keeping that urge, whether on the part of a group or on the part of an individual, within bounds.

If we cannot do this, if we permit economic monopolies to be formed, and permit the concentration of power in the hands of a few, with a resultant economic dependency on the part of the many, we shall have failed to maintain our example of democracy before the world.

That, Mr. President, is the reason why we must make every effort to strengthen and make effective the antimonopoly laws of the Nation.

Mr. O'CONNOR. Mr. President, I yield 5 minutes to the senior Senator from Connecticut [Mr. McMAHON].

APPROPRIATIONS FOR PRODUCTION OF FISSIONABLE MATERIALS AND ATOMIC WEAPONS

Mr. McMAHON. Mr. President, from the standpoint of the security of this and the other nations of the free world, an action of paramount importance is pending before this concluding session of the Eighty-first Congress. I refer to action on the supplemental appropriations estimate for \$17,850,000,000, sent to Congress by the President on December 1. All of the projects for bulwarking our military strength that are to be financed by our disposition of this request are important. None is of greater importance than the one for expansion of our capacity for producing fissionable materials and fabricating atomic weapons from them, which is included as an item of \$1,050,000,000 in these estimates.

Action by the House of Representatives on this measure is imminent, and within a matter of days it will come before the Senate. I cannot state too strongly my view that full and speedy provision for this program is of the utmost urgency.

The Joint Committee on Atomic Energy has examined the detail of this program with the members and staff of the Atomic Energy Commission. For reasons of protecting military information, I cannot divulge the individual items of expenditure. I can say that it is a broad program, boldly conceived and carefully worked out—a program

which is vitally necessary to the common defense and security. It offers the ways and means of keeping the lead which the Atomic Energy Commission, as steward for the American people, has maintained in the development and the making of more, newer, and more effective atomic weapons.

As has been the case at every step of the way in recent years, the Atomic Energy Commission, consulting with the military authorities and with the joint committee, has kept the plans as well as the performance of our atomic-energy project out ahead of the immediately apparent position. Future needs have been foreseen and the actions to provide for them have been planned out. I am proud to state that the joint committee has played a major role in this planning.

This is the third major program to come before us within the past 14 months for enlarging the production capacity of the enterprise. These plans were not formulated overnight—they could not be—in frantic reaction to the new evidences of Soviet desires to enslave the free world, or of Russian achievement in the atomic-weapons field. These plans have been under unremitting study, and, as they ripen, are brought forward. It is coincidence, not cause and effect, that they have come forward successively almost at once (1) after we learned that the Russians had exploded an atomic bomb in September of 1949; (2) after the June 1950 aggression by Russian satellite puppets in Korea; and (3) after the recent intervention in that same tortured land by the Communist Chinese in all-out force. We are fortunate that the management of our atomic enterprise has had the energy and the capacity to keep on with development at an accelerating pace and be ready with the plans necessary to arm us atomically for coping with the perils that press so hard against our liberties and our faith.

The program the Commission has now developed will enable us to enlarge our stocks of available uranium ore. This was the first requirement and one which had to be satisfied by months of advance planning. The program in another phase will add huge new plants for using the products of the ore to make fissionable materials—materials which can go into weapon shapes or into fuels for power-producing machines. In the present state of the world, we have no choice but to process these materials into weapon shapes as fast as they can be produced. To provide for this, a third phase of the program calls for new weapons production and storage facilities.

Why must we go full tilt into this expansion of our atomic energy production plant? Because of one thing and one thing only; because of the refusal of the Communist imperialists and their dupes to live and let live in a world of scores of sovereignties and diversities and mutual tolerance; because of their now all too plain determination to impose one sovereignty, one dogma, one monstrous, faceless set of ideas upon the family life, the daily work, and the spiritual beliefs of every last individual on this planet.

This we cannot accept. To avert it, we ourselves must needs move with speed to authorize the enlargement of our atomic energy program, and we must direct the executive branch to push forward continuously with the vigor displayed by the past record of the Atomic Energy Commission.

By following this path, we seize upon the best chance of a just peace. By refusing to appease, by showing our determination to remain free, we maximize our fervent hopes that atomic weapon shapes can some day be safely beaten into the parts and components of peaceful atomic reactors.

PREVENTION OF CORPORATIONS FROM ACQUIRING ANOTHER CORPORATION BY MEANS OF ACQUISITION OF ITS ASSETS

The Senate resumed the consideration of the bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended.

Mr. O'CONNOR. I yield myself the remaining time.

The PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. O'CONNOR. Mr. President, I cannot conclude this discussion without paying tribute to the able senior Senator from Missouri, who, despite his opposition to the bill, has made a great contribution to the considerations involved in this debate, and, while he has in his characteristically earnest and intelligent manner interposed objections, I feel that he has assisted materially in bringing to light important facts bearing on the matter. For that reason, I think he is entitled to our appreciation.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Missouri?

Mr. O'CONNOR. I am very happy to yield.

Mr. DONNELL. I greatly appreciate the comments of the Senator, and thank him for them.

Mr. O'CONNOR. Mr. President, it is of course unnecessary to repeat the arguments which have been advanced and which have been repeated somewhat in the addresses made since this discussion was begun yesterday, but it may be in point merely to refer to a few additional facts. I wish particularly to call attention to the anomalous situation in our antitrust laws created by this loophole.

Market controls which would violate the antitrust laws if carried out by independent companies can today be practiced safely whenever one such company acquires the physical property of another. It is true that the Sherman Act and the Federal Trade Commission Act condemn attempts to control markets through mutual understanding or agreements among competitors, but if the same objective is achieved through acquisition of assets it is lawful, in the absence of monopoly, and the antitrust agencies are powerless to act. So long as a merger is consummated through purchase of physical property, and the

resulting company achieves less than a monopoly position in its market, it is protected by the legal vacuum lying between the Sherman Act and the Clayton Act.

If a merger were carried out solely through an exchange of stock, it would, of course, be vulnerable under section 7 of the Clayton Act. This section of the law, however, applies only to acquisitions of stock as such. The Supreme Court has held that if acquisition of stock is implemented by acquisition of assets, section 7 of the Clayton Act no longer applies. Although the relevant rulings were handed down by the Court in the twenties and early thirties, the gap in the antitrust laws which they disclosed has not yet been closed. In 1926 the Supreme Court held that if acquired stock is used to effect an absorption of assets before the Federal Trade Commission can file a complaint, the Commission is powerless to order a divestiture of the assets—*F. T. C. v. Western Meat Co., Thatcher Mfg. Co. v. F. T. C., Swift & Co. v. F. T. C.* (272 U. S. 554 (1926)). In 1934 the Court answered the next logical question. In that case the Commission filed a complaint while stock was in the hands of an acquiring holding company and before it had been used to effect a merger of the physical assets of the competing corporations in question. The assets were, however, transferred before the Commission issued its cease-and-desist order. The Supreme Court held that since the assets had been transferred before the Commission had issued its order, the transfer did not violate section 7, despite the fact that the stock acquisition which preceded it was illegal—*Arrow-Hart & Hegeman Electrical Co. v. F. T. C.* (211 U. S. 587, 599, 608 (1934)). This meant that whereas a substantial lessening of competition of the type prohibited by section 7 had occurred, the method by which it had been accomplished was an innocent one and, therefore, the merger could not be condemned under the Clayton Act.

Once a merger has been consummated by acquisition of assets, therefore, the only antitrust instrument now available is section 2 of the Sherman Act. This part of the antitrust laws would, however, be of use, alone, and without support of a finding of combination, only if a monopoly position approaching the 90-percent market control found in the Alcoa case were achieved through the merger—*U. S. v. Aluminum Co. of America et al.* (148 Fed. (2d) 416 (1945)). Thus, even if a merger controlled two-thirds of the domestic market for its product it would, in the words of the Alcoa decision, be doubtful whether it would have achieved a monopoly of the type condemned under section 2 of the Sherman Act.

Unless, therefore, a full-scale monopoly had been accomplished through merger, there would be no anti-trust method of dissolving the consolidation, even though it resulted in substantial lessening of competition or tended to create a monopoly.

The fact that acquisition of assets is not covered by the Clayton Act, on the

same basis as the acquisition of stock, has been said to be a loophole in the law. This term, however, understates the magnitude of the omission. During the period from 1939 to 1944, for example, the Federal Trade Commission found that asset acquisition represented 58 percent of the total number of all industrial acquisitions—Report of the Federal Trade Commission on the Merger Movement, a summary report, 1948, page 6. The Department of Justice made a fairly close analysis of most of the mergers and acquisitions taking place in manufacturing industries during 1946-47; out of the several hundred mergers examined, it found that in less than 10 percent of the cases was it essential for the acquiring company to buy the stock as a necessary step in securing the assets.

The existing loophole, or vacuum, in the antitrust laws is a sizable one, which the pending measure seeks to close. It provides a compelling incentive to merger by companies who may wish to perpetuate otherwise irregular practices. This is so because once a merger is accomplished, activities which were formerly carried on through irregular agreement between them can be carried on by the single company through managerial decisions. Paradoxical as it may seem, the weaker, less effective cooperative methods of eliminating competition are definitely prohibited both by section 1 of the Sherman Act and by section 5 of the Federal Trade Commission Act; but the permanent and more effective method of consolidation under a single management is permissible.

The vacuum in the law, therefore, puts a premium on the achievement by the more concentrated method of consolidation of purposes which could not be legally achieved by combination among a more loosely knit group of independent firms.

Moreover, the more effective is the enforcement of the law against collusion among competitors, the greater is the incentive to achieve the same ends through purchase, consolidation, and merger. Thus, price fixing, division of markets, limitation of production, limitation of grades and types of products produced, exclusion of competitors, and other agreements prohibited when practiced by separate companies may be perpetuated as between any two companies, through merger.

This method of continuing practices prohibited by law and enjoined by the courts is almost as old as the Sherman act itself.

In 1899, for example, the Supreme Court ruled that a conspiracy among six cast-iron pipe companies to raise prices by eliminating competitive bidding was illegal—*Addyston Pipe and Steel Co. v. U. S.* (175 U. S. 211 (1899)). The defendants subsequently merged into what is now the largest manufacturer and distributor of cast iron pressure pipe in the United States—report of the Federal Trade Commission of the Merger Movement, page 9.

In 1944, the Commission issued a complaint against members of the white lead industry, charging price fixing. During the summer of 1946 Eagle-Ficher

Co. acquired assets of International Smelting & Refining Co. used in smelting and refining lead and producing white lead and white lead-in-oil at East Chicago. This acquisition increased the size of the second largest producer and eliminated the third largest, leaving two concerns accounting for between 75 and 85 percent of the production and sale of white lead and white lead-in-oil.

Again, in 1945, the Federal Trade Commission issued a cease-and-desist order against the most important manufacturers of paper in the United States. The order prohibited the companies, among whom were the Mead Corp., one of the largest firms in the industry, and the Columbian Paper Co. from collectively fixing prices. One year after the order was issued the Mead Corp. acquired the entire capital stock of the Columbian Co.—report of the Federal Trade Commission on the Merger Movement, pages 13 and 14.

The end is not in sight, so long as the Clayton Act permits merger by purchase of assets.

Less than 3 weeks ago, two large corporations, Minnesota-Mining and Manufacturing Co. and the Carborundum Co., announced their intention to accomplish a statutory merger under Delaware law—Moody's Industrials, November 29, 1950, page 1972. This announcement followed by less than a month the filing of the second of two court orders prohibiting these two manufacturers, which between them accounted for 52 percent of the sales of important industrial material, such as coated abrasives, in the United States in 1947, from engaging in practices in violation of section 1 of the Sherman Act—Behr-Manning Corp. and Armour & Co. were also defendants in the same suit, as were Durex Abrasives Corp. and the Durex Corp.—United States against Minnesota Mining and Manufacturing Co. et al.—complaint filed July 5, 1949, United States district court, district of Massachusetts; final judgment as to count 1, November 6, 1950; final decree, as to count 2, September 13, 1950; opinion, September 13, 1950, amended September 20, 1950.

This proposed merger is a dramatic example of how assets can be used to circumvent a court injunction. Once it goes through, Minnesota-Mining & Carborundum will presumably be able, as one company, to continue practices which were judged illegal when they were two companies. The salient facts can be briefly stated.

Four manufacturing companies—the Carborundum Co., Minnesota Mining & Manufacturing Co., Behr-Manning Corp., and Armour & Co.—controlled 85 percent of the sales of coated abrasives in the domestic market in 1947. Each of the four companies owned patents covering some type of coated abrasive. Each extended licenses under his patents to the others under identical terms. For example, Minnesota, which held the patents relating to waterproof-coated abrasives, entered into a series of identical patent license agreements with the other manufacturers. Under the terms of these agreements, licensor and licensee agreed to adhere to prices set out in

schedules attached to the agreement and both parties agreed to manufacture only those waterproof-coated abrasives authorized by the majority of a standardization committee composed of representatives of the licensor and licensee.

In 1943, the four manufacturers entered into identical cross-license agreements with each other binding each manufacturer to license the others to use all methods, processes, and apparatus which were then, or might become, the subject of patents by any one of them. Under these agreements, the manufacturers bound themselves to maintain manufacturing and distribution standards and minimum prices specified by the licensor. They also agreed to make available to each other on reasonable terms all raw materials necessary for the production of coated abrasives under the licenses in question.

Over 80 percent of the coated abrasives manufactured in the United States were produced under one of the license agreements described. The patent pool covered substantially all United States patents and technical information in the field, and therefore, according to the complaint filed by the Department of Justice, eliminated competition in the development of new processes and products in the industry.

In addition to the patent pooling, cross-licensing, price-fixing, and standardization practices affecting sales of coated abrasives in the domestic market, the four manufacturers also engaged in practices affecting foreign trade.

During 1929 these companies organized Durex Abrasives—the export company—which filed with the Federal Trade Commission as a Webb Export Trade Act association. At the same time the same companies organized the Durex Corp.—Durex. The stock in this company was held by the four manufacturers and its directorate consisted of one officer or representative of each of the manufacturers. Durex acted as a holding company for foreign patents covering the manufacture of coated abrasives, and as a holding company for the stock of foreign corporations organized by Durex to manufacture such abrasives in foreign countries. Although prior to 1929 the manufacturers had competed among themselves in sales in foreign markets, after that time Durex entered into identical agreements with each of them, providing that until December 31, 1956, they would grant exclusive licenses to Durex to manufacture and sell coated abrasives in foreign countries under all foreign patents. The export company entered into a similar agreement with each of the manufacturers under which the manufacturers agreed to export coated abrasives only through the export company.

Between 1929 and 1945, Durex organized manufacturing companies in Great Britain, Canada, Germany, and Australia. After the organization of each foreign subsidiary, the export company stopped selling in the country in question and in countries whose markets had been allotted to the respective foreign subsidiaries.

Sales by the defendant manufacturers in the markets assigned to the subsidi-

aries were eliminated, and sales by independent American companies were discouraged.

Charges of violation of the Sherman Act were brought by the Department of Justice in the District Court of Massachusetts. In September 1950, the Court handed down an order prohibiting illegal practices affecting foreign trade. In November 1950, the Court filed an order to which the defendants consented prohibiting illegal practices affecting domestic trade.

The Court's order relating to foreign activities opens with a finding that the defendants had violated section 1 of the Sherman Act in combining with each other to organize and operate Durex and its subsidiaries. They had also violated the law through their use of patent agreements and licensing arrangements covering sales in British Empire markets, under which Durex or its subsidiaries supply coated abrasives manufactured in part or in whole in foreign countries.

Therefore, defendants were enjoined from combining to restrain trade with foreign nations and, specifically, from engaging in "any joint action by two or more American manufacturers to establish or operate factories in foreign nations to supply coated abrasives." Patent licensing agreements covering sales in various foreign areas were canceled and Durex and its subsidiaries were required to transfer all foreign patents and licenses to the original transferor or its successor and the manufacturers and Durex were required to file a plan with the Court for the dissolution of Durex and its manufacturing subsidiaries.

Under the consent order relating to domestic activities the patent license and cross-license agreements relating to coated-abrasive products were canceled and defendants were prohibited from entering into such agreements in the future. They were also prohibited from entering into agreements with any manufacturer of coated-abrasive products to fix prices, terms of sale, and so forth, or to prevent any manufacturer from selling any specific kinds, types, styles, or grades of coated-abrasive products, or from manufacturing any of such products according to any standards of specifications.

Despite these injunctions, however, once Minnesota-Mining and Carborundum merge they will as a single company be able to continue many of the practices prohibited by the Court. They will, for example, be able to determine the price at which all coated abrasives they manufacture will sell as well as the types and kinds of abrasives to be produced. They will also be able to pool their patents, and operate subsidiaries, domestic or foreign, as may appear desirable.

After merger, Minnesota-Mining and Carborundum will apparently control some 52 percent of sales of coated abrasives and will, therefore, have a dominant position in the industry. The new company will have a strong patent position and resources with which to extend its share of the market and continue practices which as separate companies its constituent companies would be prohibited from doing.

Minnesota-Mining and Carborundum will, therefore, be able to continue their mutual relations, which would otherwise have been severed by the Court's orders, on a far closer basis than ever before, since they will be able to accomplish by managerial decision activities which could previously be carried on only through illegal agreement.

Furthermore, the two largest companies in the field, the enlarged Minnesota-Mining and its codefendant, the second largest manufacturer, Behr-Manning, will control 81 percent of the domestic sales of coated abrasives. Past history does not give much basis and hope that these two dominant companies will be truly competitive or that the smaller companies in the industry can make headway against them.

While the defendant companies will, it is true, be required to extend nonexclusive licenses to any applicant, many other provisions of the Court's orders will, in effect, be nullified.

These examples—and more could be cited—underline the fundamental principle that an effective antitrust policy must prohibit the achievement of monopolistic ends, regardless of whether they are attained by collusive agreement among separate firms or by consolidations, acquisitions, and mergers. To block off one of these two roads to monopoly, merely increases traffic on the other.

There is no greater internal threat to the antitrust laws and to the maintenance of the competitive system than the vacuum which permits corporations to perpetuate by mergers and acquisitions those practices which they are specifically prohibited from carrying on as individual companies.

H. R. 2734 is designed to fill this vacuum by outlawing acquisitions of corporate assets wherever "in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition or to tend to create a monopoly." Once it has become law, H. R. 2734 will operate to inhibit monopoly by accumulation and to reinforce the competitive enterprise economy to which we are committed.

Mr. President, I should like now to summarize the principal reasons for the passage of this proposed measure.

First. To restore meaning to the law of the United States. Section 7 as it now stands is a nullity. It makes a mockery of the Federal law. By proposing in essence to make the present law applicable to stock acquisitions also applicable to asset acquisitions, the bill will do only what is logical and necessary in order to make the law against monopolistic mergers meaningful and effective.

Second. To close an avenue to monopoly by which through mergers corporations can attain the same ends which are now prohibited if they are accomplished through conspiracy or collusion among independent firms. At the present time the law is an effective instrument against collusive agreements to restrain trade. But because of the loophole in section 7, the same restraints can be achieved by the simple means of one or more firms buying up a sufficient num-

ber of competitors until they control the market.

Third. To halt the continuous long-term upward trend in economic concentration. Concentration has been sharply increased in the United States principally as a result of three successive waves of merger activity—the consolidation movement of 1890–1907, the merger movement of 1923–29, and the recurrent and recent merger movement since World War II. All of the studies which have been made on the trend of concentration show a long-term upward movement which is due in large part to mergers and acquisitions.

Fourth. To protect the independence of small business. Obviously, if this upward trend in concentration continues small business will gradually be eliminated as an important factor in the economy. Such an elimination of small business would, of course, dry up the opportunities for young people and make the entire economy dependent upon the decisions of the central office managers of a few giant corporations.

Fifth. To protect and preserve the American system of free enterprise. If concentration continues to increase the Nation will surely sink into some form of collectivism—fascism, socialism, or communism. The replacement of free-enterprise economy by any of these forms of collectivism is unthinkable. Yet, unless the trend toward increasing concentration is arrested, collectivism may well be upon us.

Mr. President, in answer to inquiries by some of my colleagues on the floor of the Senate as to the organizations or persons who favor this bill, let me say that every small business organization which has appeared before or submitted statements to congressional committees on this bill has vigorously supported it. These include: National Federation of Independent Business, the American Association of Small Business, the National Association of Independent Tire Dealers, the National Association of Retail Druggists, the National Congress of Petroleum Retailers, the Smaller Business Association of New England, Inc., Retail Merchants Association of South Dakota, and the Federation of Nebraska Retailers.

Each of the above organizations made known their views on this proposed legislation to the House Judiciary Committee of the Eightieth Congress and some of them made additional statements repeating their position before the House and Senate Judiciary Committee or the House and Senate Small Business Committees of the Eighty-first Congress.

In addition the record contains statements supporting the measure by a number of individual independent small-business men including: John Howard Ford, president, Union Works, Inc., Washington, D. C.; Charles J. Beck, Beck Baking Co., Fredericksburg, Va., and R. Morschner, Morschner Dye Works, Inc., Newton Upper Falls, Mass.

Finally, the bill is supported by most of the leading labor, farm, and cooperative organizations, some of which have testified on its behalf before congressional committees. These organizations include: Congress of Industrial Organ-

izations, American Federation of Labor, International Association of Machinists, Railroad Brotherhoods, National Grange, National Farmers Union, and Cooperative League of America.

Mr. President, I ask unanimous consent to insert at this point in my remarks a few interesting facts concerning the bill in the light of the Texas antitrust law.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE SECTION AND BILL IN THE LIGHT OF THE TEXAS ANTITRUST LAW

The State of Texas is well in advance of the Federal Government in preventing mergers that reduce competition.

The present Texas antitrust law dates from 1903, when the previous statutes of 1889, 1895, and 1899 were drastically revised. (Charles D. Mathews, History, Interpretation and Enforcement of Texas Antitrust Laws, in 1950 Institute on Antitrust Laws and Price Regulations, Southwestern Legal Foundation, Dallas, Tex.) An important part of the purpose of the revision was to cope with mergers. On January 16, 1903, in an outgoing message to the legislature, Governor Sayers said:

The trust, which consisted of a combination or agreement between two or more persons, firms, or corporations, by which the price of articles was fixed, or the output limited, either by direct agreement or by placing the controlling interests of the different persons, firms, and corporations under the management of one or more persons, having been declared by the courts to be illegal, the method is now adopted to form a corporation for buying the physical properties of competing plants, thus concentrating them all under one management, and in effect, making a complete consolidation. It is evident that insofar as suppressing competition may be the object, this method of combination is much more effective than any plan previously devised. Stringent legislation is, therefore, recommended prohibiting the combination or consolidation of existing corporations.

In the same year the executive message to the legislature by the incoming Governor Lanham recommended the same changes and said:

"It is confidently believed that the three measures which accompany this message, if they shall become the law, will absolutely prevent the formation of monopolies by the combination of existing competing corporations."

The bill accompanying the Governor's message was introduced on February 7, 1903, by Representative TOM CONNALLY and MacDONALD Meachum, and with certain changes endorsed by these sponsors, a revised bill became law on March 31, 1903.

The bill prohibited trusts, monopolies, and conspiracies.

A "trust" was defined as a combination of two or more persons, etc., to create, or which may tend to create, certain designated restrictions; to fix, maintain, increase, or reduce prices; to prevent or lessen competition; to regulate, fix, or limit output, or to abstain from engaging or continuing in business.

A "monopoly" was defined as a combination or consolidation of two or more corporations, either by bringing them under the same management or control for the purpose of creating a trust, or where any corporation shall acquire the stock or bonds, franchises, rights, or physical properties of any other corporation for the purpose of preventing or lessening competition, or where the effect tends to affect or lessen competition.

"Conspiracy in restraint of trade" was defined as where any two or more persons, etc., engaged in business shall agree to refuse to buy from or sell to others, or shall agree to

boycott or threaten to refuse to buy from or sell to others.

The statute was enforceable by civil penalties or forfeiture of corporate charter and a fine of \$50 a day and by a criminal penalty of from 1 to 10 years in prison.

The substantive provisions of the 1903 law are still in effect. In 1907 the Attorney General was given sweeping authority to examine the books and records of corporations within the State and provision was made for a lien upon corporate property to secure a payment of penalties and for appointment of a receiver by the court in case of dissolution or forfeiture of charter. (The 1907 law also provided that a person who sells below cost of manufacture or production, or gives away products, or gives secret rebates for the purpose or in such a way as to drive out competition or financially injure a competitor shall be imprisoned from 1 to 10 years.) Minimum criminal penalty was increased to 2 years in prison. The criminal penalties were specifically applied to formation of a trust, becoming a party to a trust, or giving effect in Texas to a trust formed outside the State. It was also provided that no foreign corporation may be given a permit to do business in Texas unless designated officers make affidavit that the corporation has not within the 12 months next preceding been a party to any combination in restraint of trade. In 1909 the civil penalty was changed from \$50 a day to not less than \$50 and not more than \$1,500 a day.

Mr. O'CONNOR. Mr. President, for the reasons already cited by my colleagues who have spoken in favor of the bill, I urge its passage.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. O'CONNOR. I yield.

Mr. BREWSTER. I have had brought to my attention the question of newspaper mergers. Has that subject been discussed in the course of the debate?

Mr. O'CONNOR. It has, I may say to the Senator from Maine, extensively, both by the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Tennessee [Mr. KEFAUVER], and particular attention was given to it in the committee as well. In order to make the RECORD clear on that point, there was an exchange of views, and the opinion was to the effect that this bill creates no danger to proposed mergers of the kind described by the Senator.

Mr. BREWSTER. Even though within a given city it might be a considerable step toward either monopoly or reduction of competition?

Mr. O'CONNOR. Of course, each case, as the able Senator knows, would have to be decided on its particular facts. However, we think that the merging of two newspapers, for example, each of which might be in a failing condition, would not lessen competition. It would, in effect, result in the creation of one successful newspaper, which would be a very salutary thing. For that and other reasons which were stated, we were definitely of the opinion that the bill would not have an adverse effect on the type of merger described.

Mr. BREWSTER. Is the Senator familiar with the colloquy which occurred in the House on this subject?

Mr. O'CONNOR. Yes, I am familiar with it. We do not know whether the quotation was taken out of context, but we do not feel there is anything to fear in that regard.

Mr. BREWSTER. One of the reasons mentioned was the recent merger in New York.

Mr. O'CONNOR. We had the facts before us and felt that that merger was probably desirable and would not be prevented by this bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Holland	Maybank
Anderson	Hunt	Millikin
Benton	Ives	Morse
Bricker	Jenner	Mundt
Bridges	Johnson, Colo.	Murray
Butler	Johnson, Tex.	Neely
Cain	Johnson, S. C.	Nixon
Carlson	Kefauver	O'Connor
Connally	Kerr	O'Mahoney
Cordon	Kilgore	Robertson
Donnell	Knowland	Russell
Douglas	Langer	Saltonstall
Dworshak	Leahy	Schoeppl
Eastland	Lehman	Smith, Maine
Eaton	Long	Smith, N. J.
Flanders	Lucas	Stennis
Frear	McCarran	Taylor
Fulbright	McCarthy	Thomas, Okla.
George	McClellan	Thye
Gillette	McFarland	Tobey
Gurney	McKellar	Watkins
Hayden	McMahon	Wherry
Hendrickson	Magnuson	Wiley
Hickenlooper	Malone	Williams
Hill	Martin	Young
Hoey		

The PRESIDENT pro tempore. A quorum is present.

Mr. O'CONNOR. Mr. President, I offer a group of committee amendments, minor in nature, which are principally aimed at perfecting the bill. I ask unanimous consent that they be considered en bloc.

The PRESIDENT pro tempore. The clerk will state the committee amendments.

The LEGISLATIVE CLERK. On page 4, line 7, after the word "Aeronautics", it is proposed to strike out "Authority" and insert "Board"; in line 10, after the word "Commission", to insert "in the exercise of its jurisdiction under section 10 of the Public Utility Holding Company Act of 1935, the United States Maritime Commission"; in line 14, after the word "Commission", to strike out "Authority"; in line 22, after the word "Aeronautics", to strike out "Authority" and insert "Board"; on page 5, line 4, after the word "Commission", to strike out "Authority"; in line 14, after the word "Commission", to strike out "Authority"; in line 19, after the word "Commission", to strike out "Authority"; in line 23, after the word "Commission", to strike out "Authority"; in line 24, after the word "Commission", to strike out "Authority"; on page 6, line 12, after the word "Commission", to strike out "Authority"; in line 18, after the word "Commission", to strike out "Authority"; in line 19, after the word "Commission", to strike out "Authority"; on page 7, line 1, after the word "Commission", to strike out "Authority"; in line 8, after the word "Commission", to strike out "Authority"; in line 9, after the word "Commission", to strike out "Authority"; in line 16, after the word "Commission", to strike out

"Authority"; in line 18, after the word "Commission", to strike out "Authority"; in line 21, after the word "Commission", to strike out "Authority"; on page 8, line 7, after the word "Commission", to strike out "Authority"; in line 11, after the word "Commission", to strike out "Authority"; in line —, before the word "or", to strike out "Authority," on page 9, line 4, after the word "Commission", to strike out "Authority"; in line 18, after the word "Commission", to strike out "Authority"; in line 19, after the word "Commission", to strike out "Authority"; in line 21, after the word "Commission", to strike out "Authority"; in line 25, after the word "Commission", to strike out "Authority"; on page 9, line 4, after the word "Commission", to strike out "Authority"; in line 8, after the word "Commission", to strike out "Authority," and in line 10, after the word "Commission", to strike out "Authority."

The PRESIDENT pro tempore. Is there objection to the consideration of the amendments en bloc? The Chair hears none, and the question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question now is, Shall the bill pass?

Mr. DONNELL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senators from Kentucky [Mr. CHAPMAN and Mr. CLEMENTS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are unavoidably absent on official business.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business, having been appointed a delegate from the Senate to attend the meeting of the Commonwealth Parliamentary Association in Australia.

The Senator from Minnesota [Mr. HUMPHREY] is absent because of illness.

The Senator from Florida [Mr. PEPPER] and the Senator from North Carolina [Mr. SMITH] are absent by leave of the Senate.

The Senator from Alabama [Mr. SPARKMAN] is absent by leave of the Senate on official business as a representative of the United States to the fifth session of the General Assembly of the United Nations.

If present and voting, the Senator from Kentucky [Mr. CLEMENTS], the

Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. FERGUSON] is absent by leave of the Senate on official business, having been appointed as a delegate from the Senate to attend the meeting of the Commonwealth Parliamentary Association in Australia.

The Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] are necessarily absent. If present and voting, the Senator from Ohio would vote "yea."

The Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The result was announced—yeas 55, nays 22, as follows:

YEAS—55

Aiken	Johnston, S. C.	Murray
Anderson	Kefauver	Neely
Benton	Kerr	Nixon
Connally	Kilgore	O'Connor
Douglas	Langer	O'Mahoney
Eastland	Leahy	Robertson
Frear	Lehman	Russell
Fulbright	Long	Smith, Maine
George	Lucas	Stennis
Gillette	McCarran	Taylor
Hayden	McCarthy	Thomas, Okla.
Hill	McClellan	Thye
Hoey	McFarland	Tobey
Holland	McKellar	Watkins
Hunt	McMahon	Wherry
Ives	Magnuson	Wiley
Jenner	Maybank	Young
Johnson, Colo.	Morse	
Johnson, Tex.	Mundt	

NAYS—22

Bricker	Eaton	Martin
Bridges	Flanders	Millikin
Butler	Gurney	Saltonstall
Cain	Hendrickson	Schoeppl
Carlson	Hickenlooper	Smith, N. J.
Cordon	Kem	Williams
Donnell	Knowland	
Dworshak	Malone	

NOT VOTING—19

Brewster	Ferguson	Sparkman
Byrd	Green	Taft
Capehart	Humphrey	Thomas, Utah
Chapman	Lodge	Tydings
Chavez	Myers	Vandenberg
Clements	Pepper	
Ellender	Smith, N. C.	

So the bill (H. R. 2734) was passed.

AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS' LEAVE ACT

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2583, House bill 9524. When the calendar was last called, the bill was objected to by a Senator on the minority side because the report had not been printed at that time. It is now printed, and I understand that there is no objection to the consideration and passage of the bill.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina?

Mr. WHERRY. Mr. President, inasmuch as the minority side was mentioned, I am quite sure that I am correct in stating that the reason the bill was not considered prior to the adjournment in September was that there was no report accompanying the bill. It was among a group of bills which were not

accompanied by reports, and the majority leader was agreeable to postponing consideration of those bills until the reports were before us. Therefore, it was passed over. There is no objection to its immediate consideration.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 9524) to supplement the District of Columbia Teachers' Leave Act of 1949 was considered, ordered to a third reading, read the third time, and passed.

SETTLEMENT OF CLAIMS FOR LOSSES AND DAMAGES TO PORTUGUESE TERRITORY OF MACAO

Mr. LUCAS. Mr. President, just before the bill which was last considered was passed I had risen with the purpose of reserving the right to object because the bill was No. 5 on the list of bills I propose to have taken up for consideration this afternoon, and I felt that if there was going to be long discussion on it I should object to consideration of that bill until we reached it in the order in which the Democratic Policy Committee had proposed that bills be considered.

Mr. President, on December 11 the Committee on Foreign Relations reported to the Senate four measures unanimously. It is my understanding there will be little or no debate upon those measures.

I now move that the Senate proceed to consideration of House bill 9484, Calendar No. 2581, and ask that the bill be stated by title.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. H. R. 9484, a bill to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, and I shall not object, I should like to ask the distinguished majority leader if, when that bill is passed, it is his intention to continue with the bills reported from the Foreign Relations Committee?

Mr. LUCAS. That is exactly what I stated a moment ago. I said we would take up the bills which had been reported unanimously by the Committee on Foreign Relations, and I said that four such bills had been reported, which I would ask the Senate to consider.

Mr. WHERRY. May I ask the majority leader if it is then the intention to bring up Calendar No. 2569, House bill 7445, authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.?

Mr. FULBRIGHT. I will say to the Senator that is the intention; yes.

Mr. LUCAS. That is one of the four measures which have been reported by the Committee on Foreign Relations

unanimously, which it is proposed may now be taken up for consideration. As I stated, the first is House bill 9484, Calendar No. 2581. After that bill is passed I shall ask for the present consideration of House bill 5902, Calendar No. 2570, for the relief of the Pan American Union, and if and when that bill is passed I propose to ask for consideration of House bill 8546, Calendar No. 2580, to amend the Philippine Property Act of 1946.

After that bill is passed, the next and last bill is the one the Senator from Nebraska made inquiry about. That will be the last bill on the list.

Mr. WHERRY. I thank the Senator.
PEANUTS

Mr. ROBERTSON. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. ROBERTSON. The Senator from Illinois realizes, of course, that Virginia peanut growers have to vote tomorrow on the allotment plan which is going to cut them 16½ percent. They are producing less than they did 40 years ago. There is a market for all edible peanuts that can be produced. There is not a market for all the oil type of peanuts. The Senator from Virginia would like to know if the majority leader—and I ask the question now while the distinguished junior Senator from Georgia [Mr. RUSSELL] is present—proposes to give consideration to the Hoey-Graham bill to provide a different basis of allotments?

Mr. LUCAS. I will say to the Senator from Virginia that is one of the bills on the list we propose to take up at some time before this short session is adjourned, provided we have the time to consider it. I had hoped that perhaps the Senators from Virginia, Georgia and all other States who are interested in the peanut situation might be able to agree so that we would not be compelled to debate the subject of peanuts for a couple of days.

Mr. ROBERTSON. I do not think the debate will take very long. I regret exceedingly that we have been unable to reach an agreement on a bill which the President would sign, because any agreement we reach would still leave an allotment for oil peanuts far in excess of the market.

The subsidies now being paid to those who produce that kind of peanuts is \$27.50 an acre. The program this year will cost more than the \$40,500,000 which it cost last year. The total program has cost more than \$67,000,000. We feel that unless there be, from the standpoint of the general taxpayers, some better arrangement for this type of support, it will ultimately mean not only the wrecking of the peanut program, but will react badly on the entire farm program.

Mr. RUSSELL. Mr. President, I think the distinguished Senator from Virginia is in error in saying that there is a subsidy of \$27.50 an acre, or any other sum, on oil peanuts. Such a subsidy is impossible under the law. Under the oil peanut provision they are sold by the Department of Agriculture, and if I recall the law the farmer is paid only on the basis of what the Department re-

ceives for the oil. I do not think I can be in error about that.

Mr. ROBERTSON. This is the situation. The production was underestimated by 150,000 tons. It was agreed for this year to buy all except 300 pounds out of each ton of oil peanuts, at 15 cents a pound, which is 50 percent above the market price, and that figures out a subsidy of \$27.50 an acre for oil peanuts, and \$23 and some cents for all the peanut growers. The Senator from New Mexico [Mr. ANDERSON], a former distinguished Secretary of Agriculture, gave me the figure of \$27.50 an acre for oil peanuts.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LUCAS. Mr. President, I do not want to become involved in this peanut argument, because the peanut bill is not before the Senate. These arguments can be made later on when we have the peanut bill under consideration.

I regret to find my friends from the peanut-producing areas disagreeing with one another. Seldom do they fail to find a solution for any of their problems, whether they be problems relating to peanuts, tobacco, cotton, or any other product produced in the South. I never yet knew of a product in which those Senators are vitally interested on which an agreement could not be worked out. I hope the problems affecting the peanut bill can be worked out before the bill is taken up for consideration. But the senior Senator from Georgia [Mr. GEORGE] made a special request that the bill not be considered today because he is now attending an executive session of the Finance Committee on the bill relating to excess-profits taxes.

I yield now for a brief explanation to the Senator from New Mexico relating to the question of peanuts.

Mr. ANDERSON. Mr. President, in support of what the Senator from Virginia stated, I wish to say that the record will show that the 1949 crop of peanuts cost the Government of the United States \$49,000,000. There were slightly more than 2,000,000 acres of peanuts. Anyone can divide the figure 2,000,000 into 49,000,000 and know that it is costing more than \$20 an acre for every acre of peanuts grown. Every time a farmer planted an acre of peanuts for oil in 1949 it cost the Government of the United States \$27. Farmers do not get that much out of the various crops in different parts of the country, and there are those of us who would like to see the provision of the law affecting peanuts corrected in such a manner that it will continue to operate satisfactorily.

I believe that what we need most of all is to grant additional acreage to the farmers in Virginia and North Carolina who grow the ball park kind of peanuts, the kind we are now forced to import from China and other countries. It is too bad that American farmers cannot grow more of such peanuts.

Mr. RUSSELL. Mr. President, I was very much interested in the statement made by the Senator from Virginia. In the form in which the most recent bill affecting peanuts was passed by the Senate it could not result in costing the Government of the United States \$27.50 an

acre for oil peanuts. The peanut program has cost some money but the excess oil peanuts simply cannot cause losses to the Government. I shall investigate the matter very carefully. I wish to say to the distinguished Senator from Virginia, however, that if he expects the Graham-Hoey bill to be passed in time to be beneficial with respect to the referendum to be taken tomorrow, I am very much afraid he will be disappointed.

Mr. LUCAS. I can see that the peanut controversy is going to be very interesting and exciting. I surely would like to be present when the debate takes place, and I shall be present when it does. The proposed legislation cannot, however, be passed today.

Mr. ROBERTSON. Mr. President, I wish to say a word about the urgency of the matter. In the first place, a number of very fine Virginia and North Carolina farmers are being adversely affected. In the second place, the Administrator of the program went into the peanut-producing section of Virginia and told the peanut growers, "You have some Senators who do not give two whoops in hell for the peanut growers." I have been flooded with letters dealing with the situation. I do not say to what Senators the Administrator referred. I leave it to them to draw their own inferences. Then the Administrator went on to say, "We do not think this is a good program. It ought to be changed. But Congress has to change the law. We cannot change it." That is the situation he presents to my constituents.

Mr. LUCAS. Mr. President, at one time I was interested in the flood of letters which come to Senators—but not any more.

SETTLEMENT OF CLAIMS FOR LOSSES AND DAMAGES TO PORTUGUESE TERRITORY OF MACAO

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois that the Senate proceed to the consideration of House bill 9484.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9484) to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights.

Mr. JENNER and Mr. McMAHON addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana was on his feet first, the Chair believes; and the Senator from Indiana is recognized.

FOREIGN POLICY OF THE UNITED STATES

Mr. JENNER. Mr. President, the subject I wish to discuss this afternoon is not about me, but it is a grave subject. My subject is our country's status—where we have been, where we are now, and where we should go.

Mr. President, there is an old saying that—"Though the mills of God grind slowly, yet they grind exceeding small."

Today, American people are slowly but surely throwing off the deadly hypnosis of the past tragic 33 years, to find that

what they thought was only a passing political nightmare has become a horrible reality. As they look about, they find the mills of gods slowly grinding out the truth that America has been betrayed.

That truth is this, Mr. President: No matter to what desperate lengths some may continue to go to hide it from our eyes, the fact remains that never before have a free people been so deliberately deceived, so ruthlessly exploited, or so betrayed.

As a consequence, the American people are awakening, in the dark dawn of disillusionment, to find that never before have any free people been subjected to such staggering defeats on the economic, social, political, military, and diplomatic fronts, at the hands of their own leaders.

The extent of these defeats can be measured only against the stark fact that today America is unable to keep the peace, to win a war, or even to defend her vital interests against the very force of tyranny which our present leadership has helped to turn loose around the world.

Yet, in the midst of the rising chaos, this frightful, face-saving fraud marches on.

Not one of our responsible political leaders has yet admitted his part in the tragic blunders, mistakes, and betrayals that have taken place.

Instead, even General Marshall described the cause of this predicament we are in on November 14, 1950, at Fort Benning, Ga., by saying that our national defense has always been "a succession of feasts and famines that have followed each other in demoralizing sequence."

Then, completely ignoring the basic cause of the matter, General Marshall went on to point his finger of guilt at the American people by saying:

The basic error has always been with the American people themselves.

Mr. President, it seems that because the American people are becoming bitterly resentful, and are not sufficiently aroused to their Marshall-decreed guilt, and are even demanding the impeachment of Mr. Truman and Acheson, another crisis is being used to whip up a frenzied public hysteria and take the heat off a leadership which, no matter what it does, seemingly can do no wrong.

The truth is, Mr. President, that resentment, distrust, and disgust are spreading like wildfire in the hearts and minds of the American people.

Mr. President, this growing public disillusionment is the stuff of which revolutions are made.

We can only hope and pray that sanity and patriotism will finally prevail to save us by leading America out of the chaotic crisis we are in, back on to the road of the traditional principles which underlie our heritage as a free and sovereign people. This is the task that awaits our doing—this, and this alone.

Yet, Mr. President, we can never find our way out of the international morass into which we have been led, or prevent the final emergence of a tyrannical police state in our own midst, unless 150,000,000 Americans are now willing to stand up and be counted as Americans.

We have pulled other nations' chestnuts out of the fire long enough. For far too long we have been underwriting the interests and security of everyone but ourselves.

For too many years we have been the pawns of alien forces—until, today, America, once the land of the free and the home of the brave, has been reduced to the role of a flunky to an international Frankenstein.

America, the richest nation on earth, is being bled white by its own leaders.

America's traditional two-party system has been stalled on dead center by a vicious bypartisan paralysis of all honest criticism and searching debate, a paralysis which destroys every essence of representative government itself.

The American people themselves stand between their own destiny as a free people and the inevitable slavery which their discredited, incompetent, world-saving leadership even now would shackle upon them.

Think of it, Mr. President! After all the global goose chasing we have done during these tragic years, we stand on the threshold of a third world war, under the discredited leadership of those whose follies have helped to breed a Communist monster which has broken its leash and is now at large.

This same leadership has no more understanding of our traditional American principles and of our vital national interests which now are really at stake in this crisis than it has of why we have already fought and lost two other tragic world wars.

What is the truth, Mr. President? The truth is that on December 16, 1948, the Hoover Commission task force investigating the reorganization of our armed services warned in its report that—

Within slightly more than a score of years, at a great cost in life and property, we have won two wars, only to lose the peace both times, through lack of a clear and consistent national objective. * * *

The bitter lesson does not yet seem to be fully learned * * * for the committee found that strategic plans, made without clear guidance of long-term peace aims, were based on assumptions that may or may not be true, that the military were planning now to fight the next war—if this tragedy should occur, without knowing what exactly we would be fighting for.

The truth is that we are only relearning the ancient biblical teaching of what always happens when the blind lead the blind.

For we now know that what started out as a Korean police action has only plunged us deeper into the rising tide of international anarchy and has further obscured the real issues of our own national interests, national security, and national objectives, which are now at stake.

The tragedy is that if we keep going the way we are headed, and unless these crucial issues are immediately clarified, we shall have already lost the third world war. The reason is that we shall not be fighting for clearly defined national objectives, we shall not be fighting for the preservation of clearly defined American principles, and we shall not be fighting to keep America sound, strong, and free. This then, is the measure of the defeat

that is already in the making. We can only ask ourselves, "Why?" Mr. President, why are we in this tragic predicament? What has happened that America today should be fighting for her own survival with all the odds stacked against her? This is the question that cries for an answer in the minds and hearts of the American people. What is the master-key that unlocks this frightful puzzle? How can we escape such a fate?

Now, Mr. President, I am convinced there is only one way out. Strangely enough, President Truman was telling a tremendous truth when he denounced the Communist investigation as a "red herring." I do not mean that there is the slightest doubt but that Communists and traitors have been selling us out during these tragic years. What I do mean is that the issue of communism has been, is being, and will continue to be used by many as a "red herring" to detract the attention of the American people from the real cause of the disaster we confront.

The real causes of this disaster and the deadliest enemies of America are the internationalist doctrines, the internationalist machinery, and the internationalists themselves, who have provided the instruments whereby alien forces could infiltrate, manipulate and betray the national policies and interests of the United States.

What other master-key unlocks the mystery of America's betrayal? What other explanation puts the frightening events of the past 33 years into their proper perspective? So far as I am concerned, I can find no other way to explain what has happened to America during these tragic years, or what is yet to happen, unless we come to our senses in time; and it is later than most people think.

The truth is that whenever an American embraces internationalism as a doctrine or a practice, however well-intentioned he may be, he betrays both his country and himself. For such a doctrine and practice immediately opens the doors to foreign influence and foreign interests which, by their very nature, are determined to use America for their own selfish and vicious ends. As an example of what I mean, I cite an article in today's Washington Post, under the dateline of Cairo, Egypt, December 12. The headline is "Cairo cheers bid to play off East versus West," and the article begins thus:

Parliament tonight applauded a deputy's proposal that Egypt make agreements with Communist-bloc nations and use these agreements to pry concessions from the Western Powers.

This is what George Washington meant when, in his farewell address, he said:

Against the insidious wiles of foreign influence the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people to surrender their interests.

Surely we have paid an awful price to relearn in our lifetime that America can survive as a free and sovereign Nation only as we maintain American interests, principles, and security as our primary concern—only as our leadership seeks to protect, preserve and advance America's legitimate and vital interests above all others—only as the American people, themselves, are given honest facts and the opportunity to make honest choices between honest alternatives, before others are given a chance, secretly, to decide their destiny for them.

For years now, America has been the victim of the abandonment and repudiation of these principles and practices, with the inevitable result that nothing short of a major operation on the policies and personnel which have produced the present crisis can save us.

The choice we confront now is not how we are going to save the United Nations; not how we are going to save our allies; not how are we going to save face; but how we are going to save the United States. That is what we are up against today. The choice is not how we are going to perpetuate the mechanism of international death traps. The question is, how are we going to restore the machinery whereby we can take back into our own hands the control of America's foreign policy and destiny.

I know of no other way of doing this than by again warning of the suicidal course we have traveled during the past 33 years, under the leadership of internationalist crusaders, who have been leading us down the road to destruction and strengthening the internationalist machinery which, even today, has been taken over and continues to be manipulated by those who are determined to destroy us.

Mr. President, while this is a little known story which has been deliberately denied to the American people, it is the shocking truth. Why otherwise has it been deliberately suppressed by the very internationalists themselves, who during these tragic years have been playing hand-in-glove not only with Communists but with many other alien interests?

If we are not in a deliberate conspiracy of silence, why have these same internationalists gone to such lengths to pervert, distort and conceal the truth, and even to degrade the writing of history itself?

If we are to save America, the time has come to clean up, once and for all, the deliberate falsehoods and the "isolationist" smears with which the internationalists have been blotting out and fouling up the pages of American history. Those who oppose the internationalists are called "isolationists." If we are to believe the internationalist propagandists, the reason the world is in the predicament it is, is because America has been, and continues to be too isolationist—because we have never given the internationalists enough power with which to meddle in the affairs of other nations—because we have been too stingy with our purse strings—because we have never given them enough con-

trol over our resources, manpower and wealth—and because they have not yet been able to make enough outrageous secret deals with alien interests.

The only reason these men have been able to get away with this fantastic distortion of history is because we have let them get away with it, and the time has come to smash the Communist-Fair Deal-internationalist conspiracy that is destroying us. The supreme tragedy is that so many well-intentioned, patriotic Americans have been so completely taken in. At this very moment, internationalism is still peddled as a honeyed phrase that promises our only hope of salvation. Yet, at the same time, internationalism continues to be nothing but a smoke screen to cover up the brutal struggle for national survival which is now going on around the world.

Yet, this internationalism, which has already brought the peoples of the earth to their knees, is the same internationalism that has already tricked America into betraying her own interests in two world wars and is preparing to betray us in a third.

Mr. President, we were tricked into the First World War in Europe, behind the slogan, "We are going to make the world safe for democracy."

Yet, we now know that the American principles we were propagandized into believing were at stake, were thrown into the ash heap and an American President placed his stamp of approval on a war-breeding, inhuman absurdity called the Versailles Treaty.

Subsequent events prove beyond any question of a doubt that under the guise of internationalism our leaders betrayed our own vital interests and pulled the chestnuts of Britain and France out of the fires of power politics by yielding to the influence and pressure of foreign cliques, who wormed their spokesmen into the highest policy-making circles of our Government.

The record also shows that behind the scenes we continued to be led around by the nose by British imperial interests right up to and into the Second World War.

This time, behind the internationalist slogan of the Atlantic Charter and the "four freedoms" we fought the most terrible war in history, only to find that Communists had infiltrated our highest policy-making circles and used this international crusade and the international machinery that was set up for the prosecution of the war, and for the building of the so-called peace that followed, to sell America into the hands of Russia.

Mr. President, my record on these matters is clear.

I have consistently and bitterly opposed this betrayal of American principles.

I have continually warned that this internationalist conspiracy had been taken over by the Communists and was betraying our vital interests by squandering our substance and the blood of our youth in the four corners of the earth.

Not to secure and advance America's interest—not even to make the world

safe for democracy—but to prepare the table for Stalin and make the world safe for communism.

A documentary review of this story is too complicated and involved to present at this particular moment, but I propose to bring this whole sordid story before the Senate in the not too distant future. Parts of it I have brought out in the past.

What is needed now is a recognition of the fact that this continuing internationalist conspiracy, together with its mushrooming organizations and machinery, is now as deadly an enemy as communism itself.

For if we keep going the way we are headed, we shall end up in world-imposed isolation, the object of the undying hatred and enmity of the very peoples who are our natural friends and allies, and saddled with the very totalitarian police state, with its inevitable poverty, degradation, and slavery from which these false prophets of internationalism promised to save the world.

This is why, Mr. President, if America is to be saved, the Congress is now confronted with such a seemingly impossible task.

For it is the duty of Congress, now, and of every Member of Congress who loves America, to prevent the perpetuation of this myth of internationalism for the purpose of saving the face of our internationalists, by pointing out that what is good for internationalism, now has become ruinous to the best interests of the United States of America.

Those who preached the unity-at-any-price-with-Russia line, because they said, "Russia is a great peace-loving ally," might have helped keep internationalism and the United Nations alive, but so far as America is concerned, they were preaching treason.

The time has come to recognize that those who are now preaching the unity-at-any-price-with-our-allies propaganda are equally deceiving the American people.

The allies have already fallen out with us and are going their own merry way to take care of their own national interests, and are selling out America's interests and principles, while they leave us holding the bag, fighting their wars, and paying the bills.

Those who continue to preach dependence upon allies who desert us in our hour of need, when, if we are to survive, it will be by dependence on our own wits and strength, are also preaching treason.

At this very moment American GI's are fighting and dying in a United Nations war in Korea under directives that are drafted by a membership that includes our deadly enemies.

This may be good for internationalism, but it is treason to America.

Our GI's are fighting today in Korea against overwhelming odds that are backed by the military might that has been supplied by the underhanded trade practices of our allies, as well as our own Government.

This may be good for internationalism, but it is treason to the United States.

At this very moment American Armed Forces are locked in deadly combat with the hordes of Communist Chinese, who

at this very moment, as I speak to the Senate, are represented in the United Nations and turned loose to berate, obstruct, and paralyze our own independence of action.

This may be good for internationalism, but it is treason to the United States.

At this very moment, although threatened with annihilation, our armies, fighting for their very lives, are unable to defend or protect themselves against the onslaught which is based north of the Yalu River in Manchuria because the United Nations will not permit us even to protect ourselves.

Mr. President, this may be good for the United Nations morale, but any red-blooded American knows that, so far as America is concerned, this is the rankest kind of treason.

Mr. President, at this very moment we are engaged in a terrible war which was entered into unofficially by an American President without the advice or consent of Congress—a war which the President has yet to declare; a war which had reduced the President of the United States himself to an errand boy for this anti-American international superconspiracy into which the United Nations has now degenerated.

Meanwhile, both Houses of Congress have been completely bypassed and reduced to rubber stamps to pay the terrible costs and to pick up the tragic pieces. That is what we are doing today.

Equally responsible, Mr. President, for this tragic predicament are members of the Republican Party itself, who, as officials of the American delegation to the United Nations, are continuing to perpetuate internationalism.

It must be clear now, Mr. President, that the time has come for an all-out fight to save America from self-destruction.

It is at this point the question arises, "What would you do?"

While I am speaking only for myself, Mr. President, I think I know how my people in Indiana feel about this tragedy that is taking place.

I think I know what they would expect me to do.

First, since the issue now is clear between this internationalism in which we are caught which enables alien interests to manipulate American policies and resources for their own ends, and an awakened Americanism, the time has come to make or break the Republican Party as the loyal opposition to this continuing sell-out of America.

What possible excuse does the Republican Party have today for existence if it continues to be symbolized by an elephant with a trap door in its belly?

There can be no middle ground now. The Republican Party either stands for the preservation of these United States or for an international conspiracy that is driving us to our destruction.

Mr. President, the hour is so much later than we think.

At this moment, those who have led us into this terrible crisis are preparing to declare a state of national emergency. They held a conference today—another bipartisan conference, it was called—and to demand the surrender of what-

ever freedom, resources, wealth, and manpower the American people have left, without clarifying our national objectives, without defining the strategic areas the defense of which is necessary to our security, and without making any effort to remove from office those parties who have been responsible for our present predicament.

The President has many emergency powers in his possession. He still holds such powers. Congress left the powers with him, particularly with respect to price and wage controls, and so forth. However, it is apparent that we must have more hysteria. Yet we do not declare what our national objectives are.

Indeed, America stands in desperate need of all-out action to create an impregnable national defense under a leadership we can trust.

But for the Republican Party now to blindly fall in line behind the dangerous untrustworthy and un-American leadership that continues to control our destiny, would be a raw act of unutterable folly.

For this administration is composed of the same personnel, the same Communist-coddling appeasers, the same fellow-traveling conspirators, the same well-intentioned, yet deluded world-savers, the same moral and mental perverts who have been the architects of the present disaster.

This discredited directorate has completely lost touch with and confidence in our form of government and our way of life.

It does not believe in a primary loyalty to America's interests and principles where our relations with other nations are concerned.

Even now, this same leadership is engaged in perpetuating the same self-defeating international hand-out policies which corrupt and confuse the international scene and which continue to bleed us white, even while we are left with no control whatever over the end uses of either our own resources or of our own flesh and blood.

Again I say, Mr. President, this is the same leadership which managed to use its internationalist slogans, blueprints, and war and peace machinery to betray America in two world wars, and which succeeded in its betrayal only because of its determined strangulation of Americanism and American patriots who dared to defend America.

Now, Mr. President, this demand for total mobilization, if acquiesced in by the Republican Party, amounts to a surrender right into the hands of these enemies in our own midst, a surrender which spells the doom of our form of government and way of life.

Again I say, there is no possible reason for the continued existence of the Republican Party if, by its silence, it becomes an accomplice in this continuing internationalist betrayal of the American people.

America is fighting for survival and I do not see how any Republican can meekly surrender whatever freedom or integrity we have left, to the leadership which is determined to use the same machinery, the same slogans, the same sin-

ister objectives of internationalism, to save America from the very mess into which they have plunged us.

How can any Republican now sanction a complete surrender of totalitarian powers to such a leadership, when the same outrageous secret agreements that betrayed us are still on the diplomatic books, when secret diplomacy is still in the saddle, making a mockery of the Senate's traditional treaty-making powers, when the same political and diplomatic personnel that has been completely discredited as either incompetent, untrustworthy, or un-American, still are in power and driving the American people to their destruction, when the same hand-out policies and the same suicidal enforce-a-global-peace philosophy makes it impossible to define attainable national objectives, when the very military strategy on which this global goose chase is based could not be better designed to play into the hands of Moscow, and when mounting global commitments which are impossible to fulfill threaten to bankrupt this Nation and turn America permanently upside down and inside out?

It is time the Republican Party took a stand for America.

For myself, there is no point in continuing to attack a democratic leadership that has gone berserk, when self-appointed spokesmen for the Republican Party are down on their worshipful knees, crawling around, licking the heels of the same false gods.

Second, we must repudiate the policies and purge the personnel which have conspired to bring this tragedy upon us.

This means a repudiation of the secret agreements of Tehran-Yalta-Potsdam, as the only honest means of bringing about a clean break with the treasonable betrayals of the past.

There are some who protest that this means war with Russia.

I can only say, Mr. President, that if a repudiation of the betrayals of humanity and of every American principle of decency and justice means war, the sooner we find it out the better.

Third, Mr. President, we must reorganize our foreign policy on the basis of a realism we have never known before.

This means a complete about-face in our dealings with the German and Japanese people, and the end to the senseless destruction which continues to go on in Germany. It is going on as I speak.

This also means the refusal to compromise with Communist China, and the demand that our so-called allies stop playing both ends against the middle, and help to organize European and Asiatic federations, on a basis of equality of membership and mutual interest. This must be made the basis of all future American cooperation. Meanwhile we should encourage all freedom-loving peoples behind the iron curtain and remain loyal to our proven friends.

Fourth, Congress must force the resignation of Mr. Acheson and Mr. Marshall as the symbols of the catastrophe that has occurred.

Clean out of the national administration, the double talkers, Communist sympathizers, collectivists, crackpots,

and internationalist fellow travelers who put everybody else's interests above our own.

Fifth, since the United Nations itself has become a debating society death trap for American GI's, the time has come to revise it or to break it up.

Sixth, Mr. President, we need to halt every last dime of foreign hand-outs now pouring abroad through the international hand-out programs and machinery which our internationalist friends have devised.

We are only preparing the table for Stalin by continuing to feed the confusion and corruption of the anti-Soviet world which continues to play domestic politics with the fate of civilization.

Seventh, I am convinced, Mr. President, that with the crisis that exists, with international commitments, pacts, and treaties becoming more meaningless and futile by the hour and with our so-called allies turning neutral in our hour of need, the time has come to rely upon ourselves for our own protection, defense, security, and salvation, and to go to work immediately putting our own house in order.

This means withdrawing our troops to the Western Hemisphere and its strategic outposts, drawing a line, and sending an ultimatum to Mr. Stalin or any other aggressor, "You will cross this line only at your peril."

Then, Mr. President, we must set about building an impregnable national defense, the core of which should be a striking power capable of destroying at the source any threat to the security of these United States.

Mr. President, I make no claim to being a prophet, but I am absolutely convinced that if we are to save our form of government and our way of life, if we are to survive, this is the direction in which America must now move, and I want to serve notice on this administration, my Democratic colleagues, and my fellow Republicans that this is where I have stood in the past and where I shall always stand.

For myself I am willing to pour out everything America possesses in defense of these United States, but not another dime and not another American life to enable international dreamers to continue pouring out our substance and our lifeblood itself down the rat holes of the earth.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article entitled "Kennedy Calls Policy 'Suicide,'" published in the Baltimore Sun of December 13, 1950. Joseph P. Kennedy, former Ambassador to Great Britain, delivered an address in Charlottesville, Va., last night.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KENNEDY CALLS POLICY "SUICIDE"—FORMER AMBASSADOR SAYS UNITED STATES HAS "OIL BUT NO FRIENDS"

CHARLOTTESVILLE, VA., December 12.—Joseph P. Kennedy, former Ambassador to Great Britain, said tonight our foreign policy is suicidal and has made no foul-weather friends.

Kennedy also charged that United States foreign policy has solidified communism, sapped our economic strength, failed to pro-

vide a strong defense in this hemisphere, and is politically and morally a bankrupt policy.

He proposed that the United States get out of Korea and any other place in Asia where we cannot hope to hold our defense, and to stop wasting our resources in an idle attempt to hold the line of the Elbe or the line of the Rhine.

SPEAKS AT LAW SCHOOL FORUM

Kennedy gave his views in a speech at the University of Virginia Law School Forum.

Kennedy, in his talk, said this country had expanded its political and financial programs on an almost unbelievable wide scale, interfering in the Italian elections, spending billions in aid to Greece and Turkey, through the Marshall plan and in other military aid. "Now in Korea we are fighting the fourth greatest war in our history," he said.

"What have we in return for this effort, friends? We have far fewer friends than we had in 1945. * * *

"Where is there in all Europe any buffer against a massed Russian onslaught? Worse than this, where is there any determination to create such a buffer?"

"OIL BUT NO FRIENDS"

Kennedy said that the United States has "oil but no friends" in the Middle East and that "Indonesia, Malaya, Indochina are in revolt or heavy with discontent at the influences we represent."

Saying that Russia and her satellites have military strength "of a type that the world has never seen," Kennedy added:

"To engage these vast armies on the European or the Asian Continent is foolhardy, but that is the direction toward which our policy has been tending.

"That policy is suicidal. It has made us no foul-weather friends. It has kept our armament scattered over the globe."

SETTLEMENT OF CLAIMS FOR LOSSES AND DAMAGE TO PORTUGUESE TERRITORY OF MACAO

The Senate resumed the consideration of the bill (H. R. 9484) to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights.

RELIEF OF THE PAN AMERICAN UNION

Mr. CONNALLY. Mr. President, I ask that the pending bill be temporarily laid aside, and that the Senate proceed to the consideration of House bill 5902.

The PRESIDING OFFICER. The Senator from Texas asks unanimous consent that the pending bill be temporarily laid aside, and that the Senate proceed to the consideration of House bill 5902, which will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5902) for the relief of the Pan American Union.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. WHERRY. Mr. President, is there any reason why the pending bill should be temporarily laid aside?

Mr. CONNALLY. I must leave to attend a meeting of the Committee on Finance. The consideration of the bill will require only a few minutes.

Mr. WHERRY. Does the Senator know whether or not there is likely to be some discussion?

Mr. CONNALLY. I think not.

Mr. WHERRY. Will a vote be required?

Mr. CONNALLY. I am sure that a ye-and-may vote will not be necessary. The Committee on Foreign Relations reported the bill unanimously, and there is no controversy over it.

Mr. WHERRY. If that is the case, I shall not object to the request of the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment on page 2, line 1, after the word "organization", to insert a colon and "Provided, That the government of the District of Columbia shall reimburse the Treasury of the United States for such amount."

Mr. CONNALLY. Mr. President, this is a bill relating to the reimbursement of the Pan American Union for an amount which it was forced by the District of Columbia government to pay in the form of an inheritance tax.

Many Senators will remember Dr. Rowe, who was for many years the head of the Pan American Union. I am sure that the Senator from Nebraska [Mr. WHERRY] and the Senator from Iowa [Mr. HICKENLOOPER] will remember Dr. Rowe. He was a very public-spirited man.

Dr. Rowe was killed by an automobile striking him some years ago. In his will he bequeathed \$493,680.44, practically all of his estate, to the Pan American Union as a loan fund for Latin-American students desiring to study in the United States, and for the personnel of the Union.

The District of Columbia government stepped in and said, "You must pay us an inheritance tax." Under the force of their pressure, an inheritance tax of \$54,000 was grabbed by the District government.

The bill provides that the Pan American Union shall be reimbursed in the sum of \$54,691.65, but that the District government must pay back to the Government of the United States a similar sum, so that the Federal Government will not be out anything, and the District government will be forced to repay to the United States the amount which was unjustly, we think, demanded of Dr. Rowe's estate, and which his estate paid.

That is all there is to the bill, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SETTLEMENT OF CLAIMS FOR LOSSES AND DAMAGE TO PORTUGUESE TERRITORY OF MACAO

The Senate resumed the consideration of the bill (H. R. 9484) to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed

Forces during World War II in violation of neutral rights.

The PRESIDING OFFICER. The Senate question now automatically reverts to House bill 9484, Calendar 2581, which is the present unfinished business, it having been made so on the motion of the Senator from Illinois just before the Senator from Indiana [Mr. JENNER] began to speak.

Mr. WHERRY. I understand the Senator from Arkansas [Mr. FULBRIGHT] had asked that that bill be laid aside temporarily and that another bill be taken up for consideration.

The PRESIDING OFFICER. The Chair so understood, but that was not done.

Mr. FULBRIGHT. That is correct. The Senator from Connecticut [Mr. McMAHON], who was prepared to handle the bill relating to the Portuguese territory of Macao, was interrupted by a speech, and meanwhile was obliged to go elsewhere.

I now wish to bring up two bills which are among the four the minority leader discussed with the majority leader, and and to which the majority leader has heretofore referred.

Mr. WHERRY. Mr. President, which bill does the Senator propose to take up first?

Mr. FULBRIGHT. House bill 8546, Calendar No. 2580, to amend the Philippine Property Act of 1946.

Mr. WHERRY. I have no objection to the action proposed to be taken by the Senator from Arkansas.

AMENDMENT OF PHILIPPINE PROPERTY ACT OF 1946

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate temporarily lay aside House bill 9484, and proceed to consider Calendar No. 2580, House bill 8546, to amend the Philippine Property Act of 1946.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 8546) to amend the Philippine Property Act of 1946.

Mr. FULBRIGHT. Mr. President, the General Appropriations Act of 1951 provides that the Philippine Alien Property Administration shall cease to exist after June 30, 1951. That agency of this Government must wind up its business in the Philippines by that time. In order to do so, it is necessary to amend the Philippine Property Act so that suits brought against the Administration may be brought in United States Courts rather than in Philippine Courts as now provided by law. Failure to amend the law would mean that the United States would need to continue to maintain facilities in the Islands to defend a very small number of suits that might be brought.

At the present time there are only 44 claims pending and on the basis of experience not more than 5 percent of these claims will result in litigation.

There is no opposition to the bill, which was proposed by the Philippine Alien Property Custodian. Neither the Philippine Government nor any claimant has opposed the bill.

I ask for immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. WHERRY. Mr. President, do I understand the bill came from the Foreign Relations Committee with unanimous approval, and that there was no objection whatever to it?

Mr. FULBRIGHT. That is correct.

Mr. WHERRY. Does the bill come before the Senate with the unanimous recommendation by the committee that it be passed?

Mr. FULBRIGHT. That is correct.

Mr. WHERRY. I have no objection. The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

There being no objection, the bill (H. R. 8546) to amend the Philippine Property Act of 1946 was considered, ordered to a third reading, read the third time, and passed.

TOLL BRIDGE ACROSS RAINY RIVER, BAUDETTE, MINN.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent temporarily to lay aside House bill 9484, and that the Senate proceed to consider House bill 7445.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent that the Senate proceed to consider House bill 7445, which will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7445) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, as I understand the parliamentary situation, the distinguished Senator from Arkansas is now asking that the unfinished business, which is H. R. 9484, be temporarily laid aside, and that the Senate proceed to the consideration of H. R. 7445. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. I have no objection. Mr. FULBRIGHT. Mr. President, this bill which was passed by the House last August authorizes the village of Baudette, Minn., to construct a bridge across the Rainy River connecting Baudette with Canada. Congressional action is necessary because the bridge will be across an international boundary. There are a number of precedents for action of this type by the Congress.

This legislation does not authorize the appropriation of funds. Arrangements for the cost of construction are to be made by the village of Baudette. The costs will be amortized by tolls. After the bridge is paid for, it is to be operated free of tolls.

The committee has received no evidence of opposition to the bill. Its passage has been approved by the Department of the Army and the Department of State.

Mr. WHERRY. Mr. President, were any amendments offered in the committee?

Mr. FULBRIGHT. There were no amendments offered.

Mr. WHERRY. And the bill comes from the committee unanimously indorsed by its membership?

Mr. FULBRIGHT. That is correct.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7445) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn., was considered, ordered to a third reading, read the third time, and passed.

SETTLEMENT OF CLAIMS FOR LOSSES AND DAMAGE TO PORTUGUESE TERRITORY OF MACAO

The Senate resumed the consideration of the bill (H. R. 9484) to authorize the Secretary of the Treasury to effect the settlement of claims for losses and damages inflicted upon the Portuguese territory of Macao by United States Armed Forces during World War II in violation of neutral rights.

Mr. FULBRIGHT. Mr. President, I understand that House bill 9484 is the unfinished business.

The PRESIDING OFFICER. The Senator is correct.

Mr. FULBRIGHT. Mr. President, the so-called Portuguese claims arise out of the accidental wartime bombing by American aircraft of the Island of Macao on January 16, February 25, and June 11, 1945. Liability for this type of destruction visited upon neutral territory and nationals is clearly established in international law. Moreover, these claims were at first presented to the Congress by the State Department in company with the Swiss claims, which were identical in character and for which the Congress has voted compensation.

The bill authorizes the Secretary of the Treasury to pay Portugal the sum of 1,172,762 patacas, or about \$202,559.52 at the December 31, 1949, rate of exchange. Of this sum 1,043,714.35 patacas is principal and 129,048.04 patacas is interest at 2½ percent up to December 31, 1949. In addition interest at the rate of 71.49 patacas daily from December 31, 1949, to the date of settlement is provided for.

The claims have been thoroughly investigated by the Department of the Army, and it is on the basis of these recommendations that compensation due Portugal has been calculated. The interest rate of 2½ percent is lower than the rate of 3½ percent paid on the Swiss claims. Portugal is now a member of the North Atlantic Treaty. Therefore, not only legally is the United States liable for the damages, but politically, too, it is expedient for us to make these payments. The maintenance of friendly and honorable relations with Portugal is both a matter of deep interest and of vital concern to the security of the United States. The House has already passed the measure. The Committee on For-

eign Relations urges the Senate to do likewise. The bill was reported to the Senate unanimously.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. Yes.

Mr. WHERRY. I am only asking these questions in the interest of bringing out all the information possible. I have not seen the report on the bill.

Mr. FULBRIGHT. A report has been filed.

Mr. WHERRY. Does the amount carried by the bill represent the total sum of the claims against us, or will other bills follow?

Mr. FULBRIGHT. The bill covers the total amount.

Mr. WHERRY. The amount covered by the bill will be the one and final and only payment to be made?

Mr. FULBRIGHT. That is correct.

Mr. WHERRY. Are the claims in the category of claims which have heretofore come before the Senate, such as the Swiss claims?

Mr. FULBRIGHT. They are identical with the Swiss claims, only smaller in amount.

Mr. WHERRY. Yes; I understand. I only ask with respect to the principle involved, not the amount.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 9484) was ordered to a third reading, read a third time, and passed.

EXECUTIVE SESSION

Mr. McFARLAND. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

William F. Riley, of Iowa, to be United States district judge for the southern district of Iowa, vice Charles A. Dewey, retired; and

Walter M. Bastian, of the District of Columbia, to be United States district judge for the District of Columbia.

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Stephen J. Spingarn, of New York, to be a Federal Trade Commissioner, for the unexpired term of 7 years from September 26, 1946; and

Hugh W. Cross, of Illinois, to be Interstate Commerce Commissioner for the term expiring December 31, 1957.

The PRESIDING OFFICER (Mr. STENNIS in the chair). If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

DEPARTMENT OF DEFENSE—NOMINATION PASSED OVER

The Chief Clerk read the nomination of Anna M. Rosenberg, of New York, to be Assistant Secretary of Defense.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

DEPARTMENT OF LABOR

The Chief Clerk read the nomination of Robert T. Creasey, of Texas, to be Assistant Secretary of Labor, United States Department of Labor.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL MEDIATION BOARD

The Chief Clerk read the nomination of John Thad Scott, Jr., of Texas, to be a member of the National Mediation Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the nomination of George J. Bott, of Maryland, to be general counsel of the National Labor Relations Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of Hon. Oliver J. Carter to be United States district judge for the northern district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edward P. Murphy to be United States district judge for the northern district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Hon. William M. Byrne to be United States district judge for the southern district of California.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. McFARLAND. I ask unanimous consent that the nominations in the Public Health Service be confirmed en bloc.

Mr. WHERRY. I have no objection. The PRESIDING OFFICER. Without objection, the nominations in the Public Health Service are confirmed en bloc.

That completes the calendar.

RECESS

Mr. McFARLAND. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 32 minutes p. m.) the Senate took a recess until tomorrow, Thursday, December 14, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 13 (legislative day of November 27), 1950.

DEPARTMENT OF LABOR

Robert T. Creasey, of Texas, to be Assistant Secretary of Labor, United States Department of Labor.

NATIONAL MEDIATION BOARD

John Thad Scott, Jr., of Texas, to be a member of the National Mediation Board, term expiring February 1, 1954.

NATIONAL LABOR RELATIONS BOARD

George J. Bott, of Maryland, to be General Counsel of the National Labor Relations Board, term of 4 years.

UNITED STATES DISTRICT JUDGES

Hon. Oliver J. Carter to be United States district judge for the northern district of California. (Now serving under a recess appointment.)

Edward P. Murphy to be a United States district judge for the northern district of California. (New position.)

Hon. William M. Byrne to be United States district judge for the southern district of California. (Now serving under a recess appointment.)

PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be sanitary engineer (equivalent to the Army rank of major), effective date of acceptance

Euald C. Warkentin

To be junior assistant pharmacists (equivalent to the Army rank of second lieutenant), effective date of acceptance

Edward J. Martin
George J. Gruber
Albert B. Ripley

The following-named candidates for appointment and promotion in the Regular Corps of the Public Health Service:

To be senior scientist (equivalent to the Army rank of lieutenant colonel), effective September 29, 1950

Leslie A. Chambers

To be junior assistant pharmacist (equivalent to the Army rank of second lieutenant), effective November 24, 1950

John W. Toole

To be senior assistant sanitarians (equivalent to the Army rank of captain), effective date indicated

Harold Wainess, November 2, 1950.
Darold W. Taylor, November 8, 1950.

To be senior assistant nurse officer (equivalent to the Army rank of captain), effective November 2, 1950

Mary G. Damiani

To be senior surgeons (equivalent to the Army rank of lieutenant colonel), effective date indicated

Allen B. Eschenbrenner, September 28, 1950.

William J. Brown, September 28, 1950.
Ralph W. McComas, September 29, 1950.
James A. Smith, October 2, 1950.
Frederick G. Gillick, October 13, 1950.
Louis Jacobs, November 6, 1950.
Carl L. Larson, December 26, 1950.

Senior assistant surgeon to be surgeon (equivalent to the Army rank of major), effective Oct. 25, 1950

Arthur E. Rikli

To be senior assistant sanitary engineer (equivalent to the Army rank of captain), effective Oct. 11, 1950

Ronald G. Macomber

To be assistant sanitary engineer (equivalent to the Army rank of first lieutenant), effective Oct. 11, 1950

George W. Burke, Jr.

To be senior nurse officers (equivalent to the Army rank of lieutenant colonel), effective Oct. 31, 1950

Lorena J. Murray
Eliwynne M. Vreeland
Zella Bryant
Esther A. Garrison

Elsie T. Berdan
L. Margaret McLaughlin
Ruth I. Gillan

HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 13, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. PRIEST.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

DECEMBER 13, 1950.

I hereby designate the Honorable J. Percy Priest to act as Speaker pro tempore today.

SAM RAYBURN,

Speaker.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art our refuge and strength, our companion and counselor, humbly and gratefully we would acknowledge our dependence upon Thee, for always and everywhere we need Thee.

We need Thee in the morning years when life is carefree and full of adventure and hope. We need Thee when we are in the midway of our course and the burdens are heavy and responsibilities are great. We need Thee in the eventide of life when the shadows lengthen and there is only a little way to go.

Grant that in these perilous days when our pilgrimage is beset with so many hardships and difficulties we may have the glad assurance that the spiritual resources are adequate and available.

We pray that they may give us inward steadfastness in our struggle for peace and righteousness. May we be strong in the Lord and in the power of His might, for Thou art our God forever and ever and will be our guide even unto death.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

REMOVE SECRETARY OF STATE ACHESON

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, it should be obvious even to President Truman that Acheson has completely lost the confidence of the Congress and of the country. With America facing one of the most critical times in our history, the President has not taken the one step which would do more to convince our people of a sincere desire for unity than any other single move—the replacing of Acheson as Secretary of State and the cleaning up of the State Department.

The matter transcends partisan politics. From a selfish standpoint the Republican cause probably would be better served with Acheson remaining in office, but the welfare of the Nation must come first and I would be derelict in my duty if I did not speak out for the citizens I represent, many of whom have written to me bitterly protesting the continued presence of Acheson in his high office.

This is no time for America to look backward except that we may profit by our past mistakes. We must now make the best of a tragic harvest in the field of international relations and do those things that will strengthen America for the heavy tasks all of us face.

The need for national unity is paramount. To achieve this unity there must be widespread trust in and respect for our leadership.

For the President to defy the crescendo of demands now sweeping the country that a new Secretary of State be named is to impair national morale at a time when the highest morale is desperately needed.

MEMBERSHIP IN AMERICAN LEGION

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LECOMPTE. Mr. Speaker, today I am introducing two bills which I think will appeal to every Member of this House. The bills are for the purpose of carrying out resolutions adopted by the American Legion at the convention in Los Angeles in October of this year.

The first of these bills provides for an amendment to the national charter of the American Legion and is to enable the heroic members of the armed services in Korea to become eligible for membership in the American Legion. Eligibility is also extended to citizens of the United States on active duty in the armed services with governments associated with the United States in the present conflict.

My colleague the gentleman from Iowa [Mr. DOLLIVER] is associated with me in the introduction of these bills and will propose similar measures. Under the rules it is not permissible for two Members of the House to jointly sponsor legislation, and separate bills must be introduced even though the measures are identical.

Mr. Speaker, one of the resolutions adopted at Los Angeles by the national convention of the American Legion reads as follows:

Be it resolved, That the national judge advocate be directed to frame an appropriate charter amendment to be submitted to the Congress so as to add to the eligibility provision thereof the period June 25, 1950, to and including the date of cessation of hostilities, or for those continuing to serve honorably thereafter; and for citizens of the United States on active duty in the armed forces of governments associated with the United States in the present conflict.

The second of these bills provides for giving the national organization of the

American Legion additional protection of emblems, badges, seal, and so forth, and a resolution to this effect was adopted at Los Angeles by the American Legion convention.

These two bills have the endorsement of the national legislative commission of the American Legion, whom I have consulted in connection with the preparation and introduction of these measures. I hope that the appropriate committee of the House will act on these bills promptly and that we will be able to get them enacted into law before adjournment of this Congress. I understand that similar legislation is being given early consideration by the Senate. Let us speed these measures to the White House before Christmas.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

THE ADMINISTRATION IS ENTIRELY TOO SLOW IN BUILDING OUR DEFENSES

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include part of a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON. Mr. Speaker, the people in my area are away ahead of the administration in realizing that we must rapidly get prepared to defend ourselves.

I am inserting in the RECORD as part of these remarks a letter which I will read in part, which gives the views of a very intelligent man in my home city. His general views have been expressed to me in writing by other constituents. The man that wrote this letter is a thoroughly responsible, successful, and patriotic citizen. Since he is not seeking any notoriety for his views, I am omitting his name.

This is the letter:

DECEMBER 7, 1950.

DEAR ROY: This letter does not require an answer—because I know how busy you are. People out here are not only concerned but they are frightened, with the lethargy of the Government's preparations for defense, and to rebuild and rearm our military services. Some people doubt that the west coast can be defended or held if Russia should jump soon.

The feeling is to get into military production fast, and accept immediate economic controls on prices, wages, manpower, taxes, etc. Public opinion out here has crystallized much more rapidly than the Government thinks. They want to rearm for protection as quickly as it can be done. They are concerned about their safety, not their financial security or the unpleasantness of wartime controls and dislocations.

They are fed up with the fact that the military in the Pentagon are apparently still squabbling among themselves and can't make up their minds as to what they want—6 months after the outbreak of war. We're still piddling. Nero and his fiddle would take a back seat to our present efforts. You have appropriated the money, but the small number of contracts that have been let or even discussed with industry is shameful.

Why don't we get going? Does anyone back there doubt that this is it—the first stages of all out war—world war III? The elections are over—they still don't have to play politics, do they?

As I said, Roy, this letter does not require an answer; but the contents are just about all people talk about out here these days. Sincerely,

The SPEAKER pro tempore. The time of the gentleman from California [Mr. JOHNSON] has expired.

RESOURCES AND PRODUCTION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, during World War II, I asked the Speaker to invite the members of the Joint Chiefs of Staff, as well as the Secretaries of the various departments, to come before the House and present information to the Members which would be of value in regard to the conduct of the war. I felt then, as I firmly believe now, that the Congress should be informed and told about the general objectives the country must accomplish.

Mr. Speaker, I respectfully ask you to request Mr. Stuart Symington, Director of the National Security Resources Board, and who is responsible for our industrial mobilization, to meet with the Members of the House and explain what has been done and what is planned to be done regarding the organizing and preparation of American industrial power to meet any possible emergency, as well as the demands of total war.

The American people today have a feeling of fear and uncertainty regarding the future. Lack of knowledge nourishes fear. If the Government possesses knowledge or information which, if given to the people, would allay their fears and give them courage, and through this courage the strength to face the future, then it seems to me the Government would be performing an act of immeasurable value to the strength of our whole country by imparting and explaining to the people the activities either taking place or which are planned in the immediate future. This would provide the confidence and the courage that is so greatly needed.

Efficiently organized American industrial power is vastly greater than that possessed by all of the Communist countries combined. Within this industrial genius lies the strength of America. With American industry operating at capacity, communism cannot compete with this power. With American industry mobilized and in operation, the leadership of communism has better sense than to challenge this industrial might of America.

It is with this thought in mind, Mr. Speaker, that I think it would be most enlightening to the Members of Congress and to the American people to have Mr. Symington come before us and describe what he is doing to bring our great industrial resources into capacity production. There is nothing I know of at the present time which would give more confidence and courage to the Nation and cause more fear and consternation

to the leaders of communism and their supporters.

SUICIDAL UNITED STATES POLICY

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, it is my understanding that in this world struggle we are opposed to more than one dictator, Josef Stalin; we are opposed to communism. I do not want to see our country sucked into a diplomatic Pearl Harbor in this Tito business. May I read from the New York Times of today a report on Joe Kennedy's speech at the University of Virginia last night?

Joseph P. Kennedy, former Ambassador to Great Britain, said tonight that our foreign policy is suicidal and has made us no foul-weather friends.

Mr. Kennedy also charged that United States foreign policy has solidified communism, sapped our economic strength, failed to provide a strong defense in this hemisphere, and is politically and morally a bankrupt policy.

Unless we adopt some sensible amendments to this bill today, I am voting against the measure.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks and include a speech delivered today by Mr. FOAGE in Texas before the Farm Bureau Federation.

Mr. ROGERS of Florida asked and was given permission to extend his remarks and include an editorial.

Mr. FEIGHAN asked and was given permission to extend his remarks and include an article.

Mr. HARRISON asked and was given permission to extend his remarks and include extraneous matter.

Mr. GATHINGS asked and was given permission to extend his remarks and include two editorials.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. WILSON of Texas asked and was given permission to extend his remarks and include a speech by Mr. Harry Withers.

Mr. MCGREGOR asked and was given permission to extend his remarks and include a newspaper article written by Louis Bromfield.

Mr. BEALL asked and was given permission to extend his remarks and include an editorial from the Baltimore Sun.

Mr. ELLSWORTH asked and was given permission to extend his remarks and include an editorial.

Mr. VURSELL asked and was given permission to extend his remarks and include a speech by Thomas Stack.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include a letter from a constituent.

Mr. MORTON asked and was given permission to extend his remarks in two instances and include extraneous material.

Mr. SADLAK asked and was given permission to extend his own remarks.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the following title:

H. R. 9840. An act to exempt furlough travel of service personnel from the tax on transportation of persons.

CALL OF THE HOUSE

Mr. BURLESON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 294]		
Biemiller	Gillette	Pfeifer,
Boykin	Gorski	Joseph L.
Bramblett	Hart	Pfeifer,
Brehm	Havener	William L.
Buckley, III.	Hébert	Poage
Burnside	Herter	Powell
Cannon	Hollfield	Rich
Cavalcante	Irving	Sabath
Chatham	Javits	Scudder
Chesney	Jennings	Sheppard
Christopher	Jones, Ala.	Smathers
Cole, N. Y.	Kee	Smith, Ohio
Combs	Keefe	Stanley
Crook	Kennedy	Talle
Crosser	Kerr	Teague
Davenport	King	Tollefson
Davies, N. Y.	Kruse	Van Zandt
Dawson	Lichtenwalter	Werdell
Dingell	Lodge	Whitaker
Dondero	McCarthy	Whitten
Eaton	McGrath	Widnall
Eberharter	McMillen, III.	Willis
Engel, Mich.	Miller, Md.	Wolcott
Flood	Murray, Wis.	Wood
Fogarty	O'Toole	
Gavin	Passman	

The SPEAKER pro tempore. On this roll call 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

YUGOSLAVIA EMERGENCY RELIEF ASSISTANCE ACT OF 1950

Mr. RICHARDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9853) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing emergency relief assistance to Yugoslavia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9853, with Mr. MCSWEENEY in the chair.

The Clerk read the title of the bill.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, in order to understand the action proposed by the bill under consideration, let us look for a moment at what we have done for Yugoslavia in the past.

The Senate Foreign Relations Committee report on the Senate companion bill printed in last Friday's CONGRESSIONAL RECORD gives in detail the money which American taxpayers have given and made available to Yugoslavia.

During the war we gave them \$36,666,000 under lend-lease and plan A. From 1945 through 1947 we gave them \$299,000,000 under UNRRA procedure. In 1949 we furnished them through the Export-Import Bank \$55,000,000, and in 1950 we have already furnished them \$31,400,000 worth of food supplies.

So far as I know, no one disputes the accuracy of these figures contained in the Senate Foreign Relations Committee report on this legislation.

During the UNRRA years, a total of \$430,000,000 was provided Yugoslavia under that plan. Seventy-two percent of this amount was furnished by the United States.

The magazine World Report in its issue of January 21, 1947, stated that taxes would go up in Eastern Europe when supplies from UNRRA ended, for the reason that the free shipments sent in under UNRRA were sold, with the proceeds intended to aid reconstruction. This magazine further stated that Yugoslavia may realize as high as a third of her revenue from sales of UNRRA goods.

I asked at that time the Library of Congress to check this statement for me, and the Legislative Reference Service of the Library of Congress did check it and furnished me a report which said that UNRRA sent supplies into Yugoslavia totaling 2,000,000 tons, with a value of nearly \$400,000,000, by the end of 1946, and that UNRRA shipped into Yugoslavia enough food to give every man, woman, and child in the country more than 150 pounds of food per year, and in addition to this, 9 pounds of textiles per person, two pairs of trousers, two shirts, three union suits, six pairs of socks, one sweater, one overcoat, and six handkerchiefs.

This report further contained the statement:

There can be no doubt that the whole of the Yugoslav Army and Air Corps was maintained on our supplies. The 12,000 trucks which UNRRA gave to Yugoslavia have, in the main, been diverted to moving supplies and soldiers of Tito's army.

The fact is that in terms of the total economy of the country Yugoslavia has received as a gift goods equal in sales value to more than 10 years of its total prewar national budget and to three full years of its gross national income. Yugoslavia has thus been saved from complete collapse despite Soviet depredation, only by the movement of UNRRA supplies into the country.

This report from the Library of Congress further stated that based on information furnished it, it would appear that one-third of the Yugoslav revenue

for 1946 came from the sales of UNRRA supplies.

Thus, high American taxes in 1946 at one and the same time kept Yugoslavian taxes low, and paid for the equipment and maintenance of the Yugoslavian Army.

Thus our gifts, which we thought were going to starving people in Yugoslavia, actually went to swell the treasury of the Red Yugoslavia Government, then, as now, under the domination of the same Communist Tito.

In this same article prepared by the Library of Congress, it was stated:

What happened in Yugoslavia was that the Communists were able to do as they pleased with UNRRA supplies. People could buy UNRRA supplies only at government-controlled markets at prices which were from 3 to 30 times normal prices. By this selling at a huge profit, the goods we have been sending free to Yugoslavia, Tito's regime has obtained funds to equip and support an army which has put every eighth man in uniform. Even our country could hardly afford to keep such a vast manpower idle. Tito was able to do it on UNRRA.

Thus, we with our gifts enabled Red Yugoslavia to equip and maintain an army devoted to the promotion of communism.

The weak argument is now advanced in behalf of this bill, that if we now send \$38,000,000 in foodstuffs to Yugoslavia, our generosity will sway the Communist dictator, Tito, to such an extent that his military strength will be a threat to Russia in the event America and Russia go to war.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Georgia.

Mr. COX. The gentleman's statement leads me to wonder what if anything of sanity and strength there is left to us besides Westbrook Pegler, Fulton Lewis, George Sokolsky, and the Chicago Tribune.

Mr. DAVIS of Georgia. I thank the distinguished gentleman from Georgia for his comment.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Illinois.

Mr. VURSELL. I should like to suggest that the large amount of funds the gentleman has listed as furnished by us to Yugoslavia was the result of allowing Communists to get control of the allocation and distribution of UNRRA funds, of which the United States contributed 72 percent of the total. The gentleman is rendering a service giving us these figures showing the wastefulness of the American taxpayer's money through UNRRA in connection with Yugoslavia. Why again inaugurate another program of such waste?

Mr. DAVIS of Georgia. I thank the gentleman from Illinois for his remarks.

If the \$38,000,000 we gave them during the war failed to achieve this result, how can it be hoped that \$38,000,000 now will accomplish the purpose? If the \$385,000,000 additional which we have poured into Yugoslavia since the war including \$55,000,000 last year and \$31,000,000 this year, has failed to accomplish that pur-

pose, how can it be hoped that another \$38,000,000 poured in now will tip the scales and accomplish the purpose which up to this time nearly a half billion dollars has failed to do? Let it be remembered that the taxpayers of America already have poured into the coffers of this Communist country \$421,000,000, very nearly half a billion of taxpayers' money.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman makes the statement that we gave Yugoslavia \$50,000,000 last year. Is that an accurate statement?

Mr. DAVIS of Georgia. We furnished \$55,000,000.

Mr. COOLEY. And that we gave it to them?

Mr. DAVIS of Georgia. I did not say we gave it to them. I said we furnished it to them under the Export-Import Bank plan.

Mr. COOLEY. That was a legitimate loan; was it not?

Mr. DAVIS of Georgia. I am not going into whether it was legitimate or not. I said that it was furnished to Yugoslavia out of the taxpayers' money of this country, which is a fact.

Mr. COOLEY. The reason I interrupted the gentleman was this: I was under the impression that he had left the impression with the House that we made a donation in excess of \$50,000,000.

Mr. DAVIS of Georgia. I distinctly said it went under the Export-Import Bank plan.

Mr. COX. Mr. Chairman, if the gentleman will yield further, it was at least doing business with a Communist country at a time when we were with a death struggle with communism.

Mr. DAVIS of Georgia. That is true, I will say to the gentleman from Georgia.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. As a matter of fact, the \$55,000,000 referred to is to be repaid in metal, things taken out of the ground, including lead, in competition with the products of our own mines in this country.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. RIVERS. Mr. Chairman, I ask unanimous consent that the gentlemen be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, in my opinion, Tito is as blackhearted and treacherous a Communist as Stalin himself. The very thought of voting to spend American taxpayers' money to support the Communist government of a Communist dictator is as repugnant and abhorrent to me as any act which I can conceive.

In the debate yesterday proponents of this bill stated that it is not based upon humanitarian motives, that it is not based upon a principle, but that it is a

gamble, and a calculated risk. To me it is neither. The advocates of this bill seem to think that this generosity on our part will generate such gratitude on the part of Tito that his attitude toward Russia will stiffen and toward America will soften up.

We could make no greater mistake than this. There is no such word as gratitude in the Soviet dictionary.

If American generosity could arouse gratitude in Tito's heart, he would long ago have been our ally.

The four hundred and twenty-one million we have already furnished him has not in the slightest degree made him an ally of ours. Four hundred and twenty-one million dollars more will not make him our ally.

Now what is the reason for such haste in bringing up this legislation? Why must we hurry so to give this conscienceless dictator \$38,000,000 more worth of supplies, when we have already sent him \$55,000,000 in 1949 and \$31,000,000 in November 1950, particularly and especially when there is no food emergency in Yugoslavia? Does anyone believe there is a food emergency in Yugoslavia? If so, let us look at the facts. They are set forth in detail both in the Senate Foreign Relations Committee report and in the House Foreign Affairs Committee report. The facts are, as set out in detail in both these committee reports, that in this present year Yugoslavia produced 108 percent of its normal crop of sugar, 100 percent of its normal crop of rice, 88 percent of its normal crop of wheat, 87 percent of its normal crop of barley, 83 percent of its normal crop of rye, 79 percent of its normal crop of oats, and 59 percent of its normal crop of corn. These are undisputed figures.

We are just now in the harvest season. This year's production cannot have been depleted to any substantial extent by this time. These yields, which approach so nearly to normal crop production, will not have been seriously depleted even by next spring.

Notwithstanding the fact that Yugoslavia's sugar production this year was 108 percent of normal, the food distribution program under this bill, and the committee report shows it, provides for \$2,400,000 worth of sugar to be sent to Yugoslavia.

Notwithstanding the fact that Yugoslavia's rice production this year was 100 percent of normal, the food distribution program under this bill provides that \$1,100,000 worth of rice is to be sent to Yugoslavia.

Thus in this food distribution bill totaling \$38,000,000, \$3,500,000 of it, or nearly one tenth of the total amount, is to be spent to send to Yugoslavia two articles of food of which Yugoslavia produced this year 100 percent of the normal crop, of one of these items, and 108 percent of the normal crop of the other item.

Mr. Chairman, how eager must this Congress and our Government be to give away American taxpayer's money to do an act of this kind? How gullible must this Congress and the American people be to engage in this kind of give-away program? I have not the slightest in-

tention of voting one 5 cents to send more than a million dollars worth of rice to a Communist country which produced 100 percent of its normal rice crop this year.

I have not the slightest intention of voting one 5 cents of American taxpayers' money to send \$2,400,000 worth of sugar to a Communist country which produced a 108 percent of its normal sugar crop this year.

Further and beyond this, I have not the slightest intention of voting one 5 cents of American taxpayers' money to strengthen and bolster up any Communist government anywhere in the world.

We are fighting communism now in Korea. We are fighting Korean Communists and Chinese Communists there. A Communist is a Communist, regardless of his nationality.

Communism cannot be defeated anywhere by coddling it.

I believe we are making ourselves simple in the eyes of the world by trying to coddle communism in Yugoslavia.

We have scattered our substance all over the face of the earth under the mistaken belief that friendship can be bought.

Friendship cannot even be bought among allies, let alone among enemies.

If Tito's friendship could be bought, we have already given him enough to buy it. If what we have already given him cannot buy it, then we do not have enough, and cannot raise enough money or supplies to buy his friendship.

We are on the verge of bankruptcy now. We owe \$257,000,000. We are having to increase our military spending this year from \$13,500,000,000 to a minimum of \$50,000,000,000. We are on the verge this moment of going into wartime mobilization controls. We are saddling grave additional burdens upon the backs of our taxpayers, and yet the so-called statesmen of the world continue to coddle communism, and try to appease notorious Communist dictators.

We were gullible enough for a long time to say that Chinese Communists were different from Russian Communists. Our Communist coddlers said that they were not genuine Communists—they were simply agrarian reformers. Too late now we realize how grievously wrong that policy was.

While our boys in Korea are now being killed on the battlefields and frozen in the subzero temperatures of Korea, some of them being burned, butchered, and shot in the back as prisoners of war, while Chinese Communists are doing this, while Chinese Communists are overrunning the little helpless country of Tibet, while Chinese Communists are overrunning French Indochina, and are engaged in spreading communism over the face of the earth just as efficiently and fast as Russia herself is spreading it, England still insists on aiding and abetting Red China to spread communism over the face of the earth by insisting that Red China be seated as a member of the United Nations organization.

Mr. Chairman, I say that there is one way and one way only to stop the spread

of communism, and that is to oppose it openly, vigorously, and constantly. Communism cannot be stopped by appeasement. Communism cannot be stopped or even hindered by coddling it. This legislation in my opinion is thoroughly unsound. I regard it as absurd. I believe it would be a most serious mistake to pass it, and I shall therefore vote against it.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 1, line 4, after "1950" insert "Whereas the Government of Yugoslavia has urgently requested relief due to drought conditions, and has expressed an intention to conform to its obligations as a member nation of the United Nations."

Mr. FULTON. To explain this amendment, it comes in right after the phrase, "That this act may be cited as the Yugoslav Emergency Relief Assistance Act of 1950." It is a "whereas clause" stating:

Whereas the Government of Yugoslavia has urgently requested relief, due to drought conditions, and has expressed an intention to conform to its obligations as a member nation of the United Nations—

And then you go on with the rest of the bill.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my good friend.

Mr. RICHARDS. I have just had an opportunity to read the gentleman's amendment. I do not think it would do the original purpose of the bill any harm, and I am willing to agree to it.

Mr. FULTON. I see my friend the gentleman from Alabama [Mr. BATTLE], who with a congressional group in the last 4 or 6 weeks had visited Marshal Tito in Yugoslavia. He will corroborate that. When the Congressmen were there Tito had orally assured this group that he would scrupulously live up to his obligations as a member nation of the United Nations.

Then the question came up in the Foreign Affairs Committee—was this statement an official statement of the Government of Yugoslavia or was it just a casual statement to several Congressmen as United States private citizens, among whom were the gentleman from Alabama [Mr. BATTLE] and the gentleman from North Carolina [Mr. CHATHAM], of the Committee on Foreign Affairs. To remove that question as to whether it was merely a casual conversation by the head of the Yugoslav Government and to put it on the ground of an official communication made to representatives of the United States Government acting in their official capacity in investigating Yugoslavia, I have therefore prepared this amendment. It puts in the preamble of the bill as the specific inducement that the Government of Yugoslavia has urgently requested relief due to drought conditions and has expressed an intention to conform to its obligations as a member nation of the United Nations.

That puts the question this way: If the Government of Yugoslavia then accepts this relief based upon such an in-

ducement or promise, we then have it as an official matter and not as a matter of conversation between Congressmen and Mr. Tito. I certainly think if Tito once has said it he should be perfectly willing in this bill to stand by it; do not you, Mr. BATTLE?

Mr. BATTLE. I agree.

Mr. FULTON. He agrees; I thank the gentleman.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CASE of South Dakota. Does the gentleman think that placing the language in the bill will bind Mr. Tito? Will it establish a condition under which the money might be withheld if he fails to observe that as a condition?

Mr. FULTON. It is a statement of the record, of the official record of the relations between the United States and the Yugoslav Government as they stand at the time we pass this bill. Now then, under a later provision of this bill the President has the discretion of terminating relief. We cannot force Mr. Tito by an extraneous document to live up to his obligations under the United Nations charter, even though he has already agreed to that pledge. Nevertheless this amendment states the condition upon which this legislation is premised—that Tito himself, as an inducement to this Congress, has officially pledged this course to members of the House Foreign Affairs Committee.

Mr. CASE of South Dakota. If it can be the interpretation of the gentleman's statement, that having it in the bill under those conditions or those circumstances, it may be we are pretending or thinking that we are establishing a condition, but certainly unless Mr. Tito himself subscribes to it, there is nothing binding there so far as he is concerned.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. KEATING. Did the gentleman in his prefatory paragraph in his statement here refer particularly to the guaranty of human rights and fundamental freedoms of the United Nations Charter?

Mr. FULTON. That is correct, and everything that goes with being a good member nation of the United Nations—that the Yugoslav Government will conform closely to the obligations under the United Nations Charter.

Mr. KEATING. Would the gentleman feel it would be necessary for the United Nations to take some affirmative action with regard to those human rights and fundamental freedoms in order to bind Tito to anything, even by inference?

Mr. FULTON. No affirmative UN action should be necessary. The obligation is assumed under the Charter. I could answer the gentleman further in this way: I have another amendment that ties in with this, which I will offer to the next section, paragraph 2, which will put specific conditions in the bill as conditions precedent upon which the United States Government must be assured before a written agreement on the terms of aid can be entered into.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. FULTON. That second proposed amendment says that "upon the express prior assurance by the Government of Yugoslavia," and then I cite the various items and others along the line that the gentlemen have suggested.

Mr. CASE of South Dakota. Would the gentleman say, in view of his statement, that he would feel that if Tito fails to live up to the implied commitments, the President would be obliged to withhold aid?

Mr. FULTON. If the Yugoslav Government does not conform to Tito's pledges set out in my currently considered preamble amendment, because of the change in the basic premise upon which this legislation is being based, the President must then, under the changed conditions on page 4, subsection (2) of section 6, terminate all assistance under this act. It is the intention of this amendment that aid shall be promptly terminated by the President under such conditions.

Mr. CASE of South Dakota. I think the Congress can certainly bind the President by establishing the conditions under which he extends aid. I do not think we can bind Tito.

Mr. FULTON. That is correct, but we want this express assurance by Tito placed in the bill as the basis on which the aid is extended.

Mr. CLEMENTE. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. CLEMENTE. Is there any difference in the pledge you have in your amendment for Marshal Tito to perform the obligations as a member of the United Nations and the pledge that he took when he joined the United Nations?

Mr. FULTON. No; there is none. But it simply states, as an official matter of the record, the relation between the Yugoslav Government and the United States Government, and that the Congress assumes that that course will be followed in dealing with the United States. As you know, previously the Yugoslav Government has certainly not lived up to the obligations of the United Nations Charter in many things—religion, the Greek orphans, freedom, and so forth. And, therefore, the express obtaining of this assurance is well warranted.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my friend from New Jersey.

Mr. CANFIELD. I hope that our colleagues who heard those remarks from Tito's own lips will elaborate on how he elaborated on them.

Mr. FULTON. The gentleman from Alabama [Mr. BATTLE] is here, and I hope he will do so.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has again expired.

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this mushy, moonshine, artificial, soft-pedaling, pussyfooting stuff as represented by this committee sickens me. I had thought that the visits made by Members of this body to foreign countries over the past few years was paying off, but, Mr. Chairman, I doubt now if that is so. I am against the wiles of communism wherever it exists, which is possibly everywhere.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, all of us must realize that in our day and generation tragic mistakes have been made. The miserable mistake, which was made in the partition of Germany we will long remember as one of the tragic mistakes of modern history. The same is true concerning the partition of Austria and even perhaps the partition of Korea.

In addition to these grave mistakes and to the others which have been made, I personally believe that our Nation made another grave and tragic mistake when it recognized Marshal Tito and the government he had established in Yugoslavia and when we placed our stamp of approval upon the elections which were held in Yugoslavia on November 11, 1945.

In the month of July 1945 even before the Yugoslavian elections and just after I had returned from a trip to Europe I made a speech on the floor of the House and at that time gave to the Members of the House the full benefit of information which I had been able to obtain concerning the situation then existing in Yugoslavia. I emphasized the ruthless manner in which Marshal Tito was then conducting the affairs of that great little country. I pointed out then that I had received information to the effect that he had either executed or exiled or imprisoned more than 60 professors of the University of Belgrade. A year later, our majority leader, the gentleman from Massachusetts [Mr. McCORMACK] took the floor and told the House that in his program of religious persecutions Tito had caused to be executed or exiled 250 Catholic priests.

Within a few weeks after the November 1945 elections, I communicated with the Secretary of State, Hon. James Byrnes, and urged upon him the fact that we should not recognize Marshal Tito as the duly elected head of the Government of Yugoslavia. I then pointed out that the November elections were not in keeping with either the letter or the spirit of the Yalta Agreement, and I emphasized the fact that the citizens of that country had not been afforded free and unfettered elections and had not been accorded the rights and privileges of free and unfettered pre-election activities. But, notwithstanding, our country—yes; our officials—recognized Marshal Tito and the government he had established in Yugoslavia. I did not trust Tito then; nor did I trust him when in 1947 he had his open break with Russia.

I had no faith in his sincerity; nor have I ever approved or condoned the high crimes and misdemeanors of which he has been guilty. Many tragic events have happened in Yugoslavia and we are living in a fast-changing world. Others appeared to have faith in Tito's sincerity, but actually I had none.

During the past summer I was invited by the speaker of the Yugoslavian House of Representatives to visit Yugoslavia. After arriving in Belgrade, I was invited by Marshal Tito to have dinner with him. Having heard so many fantastic and fabulous stories about this man and his country, I welcomed the invitations and the opportunities.

Socially, Tito is a very likable fellow but not even his personal charm could cause me to forget the many blood-curdling stories which I had heard. My visit with him was very pleasant indeed. I never met a more friendly man nor a man who was more frank and forthright. After dinner we had a conference that lasted almost until midnight, and we talked of just about everything under the sun. When I found that he was apparently perfectly willing to discuss every subject I asked him about the Greek children, and I asked him why he did not return them immediately to Greece and to their parents and loved ones. Tito said that he was anxious to return the Greek children to Greece and to their parents but that he must insist on proper identification of them and of their parents, and he stated that he had no moral right to turn the children over to people who had no right to them. After discussing this situation with Tito we went almost immediately to Greece and conferred with the Prime Minister, and we told him that Tito was apparently sincere in his assertion that he was anxious to return Greek children to Greece and to their parents if proper identification of the children and the relationship could be established. The Prime Minister of Greece told us that he was delighted with such news and that he would immediately give public notice through the press and radio of Tito's willingness to return the children to their parents upon the presentation of proper identification. Since that time I have seen press reports to the effect that at least some of the Greek children have been appropriately identified and have been returned to their homes and parents.

Then I asked Marshal Tito: "Why is it, Marshal Tito, that you insist upon keeping Archbishop Stepinac in jail and making him a martyr? Why don't you free him and exile him and let him be forgotten?" His answer was: "I realize that I would make a lot of people happy if I could do just that, but the fact remains that such action would greatly offend all of the Serbs of Yugoslavia." Tito went on to say that the archbishop had acquired land extending over an area of 200 miles and that in an effort to protect himself and his property he had been a party to the crime of executing 6,000 Serbs. Whether that is true or not I do not know, but actually I had never heard that story before. I thought that the archbishop had been imprisoned as the result of some sort of religious

persecution. I thought that he had been arrested and incarcerated without just cause. I did not know that he had joined hands with the German Army and had been particeps criminis in the killing of thousands of Serbs. Notwithstanding the archbishop's conduct Tito appeared willing to release him from prison if he would leave the country, even at the risk of offending a great number of his own people.

We do not seem to realize that the little country of Yugoslavia came into existence only a few short years ago. After World War I the country of Yugoslavia had its birth. It is made up of Czechs, Croats, Slovenes, Serbs, Rumanians, Bulgarians, Germans, and people of many nations. That is the kind of country Tito is trying to run. As I sat in luxurious quarters with Marshal Tito and looked at him dressed in a beautiful uniform covered with gold braid and as I realized the bloody march to power he had made and tried to appreciate his present predicament, I thought to myself that I would rather be a poor tenant farmer in North Carolina than to have that man's job.

I do not intend to condone crime nor to embrace dictatorship, both of which I hate and despise, but as I look at the map of the world and realize how hopelessly weak we are I am convinced that we can afford to make this gift to the people of Yugoslavia, not with the idea of strengthening Tito nor with the idea of perpetuating him in power, but as a friendly gesture to the right-thinking people of his country and in the hope that the people of Yugoslavia will appreciate our friendship, I shall vote for the pending bill. Until the end of the war we were embracing Russia. In our aid to Russia we were pouring out hundreds of millions of dollars, apparently in the honest belief that Russia was a real friend and ally. Tito was also friendly to Russia and his friendship continued until 1948. I asked Tito why he had broken with Russia and he said that Russia wanted to dominate the world and that he wanted no part of such a program. Of course Tito is a Communist. He frankly admits that he is a Communist, but somehow I am willing to believe that he has no designs on the world outside of his own country. Maybe I am wrong and maybe he has. Whether he is sincere remains a secret of the future, but the fact remains that we know that Tito has had a break with Stalin. We know too that a dictator must rule with an iron hand or he will not continue to be a dictator. I do not believe that Tito can ever again turn to the east and ask for aid. He must look to the west. If he should turn again to the east, off would go his head and I believe he knows it. He cannot show evidence of weakness, but he must at all times at least pretend to be strong. I have no idea that we will ever make a democrat out of Tito, but I do believe that by aiding the distressed people of his country we will be making an investment in our own future welfare. If his army will resist invasion this investment may prove worth while.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. BARDEN. Did Mr. Tito give you any good reason as to why he kidnapped the 9,000 children to begin with?

Mr. COOLEY. No. I do not think anybody asked him why he kidnapped them. I do not think anybody would admit it was a case of absolute kidnaping. Some of the parents were already in Yugoslavia. But that is not the problem we are dealing with.

When those of us who served on the Herter committee, the special committee on foreign aid, wanted to insist upon certain conditions being attached to our loans and grants to foreign countries and wanted further to insist upon bringing about certain internal reforms in the nations to be aided by our charity and generosity, we were met with the argument that we shall not use their economic power to influence the internal affairs of other nations. I believe that the time has come when all of us must realize that we must reexamine not only our foreign policy but our foreign-aid policy. If we could, forsooth, bring about necessary reforms in Yugoslavia, certainly it would be a consummation devoutly to be wished. But all of us know that that is not now possible. In our foreign-aid programs of the future we shall very carefully guard the expenditures of every single American dollar.

Let us be realistic about our situation in the world today. If the Communists should attack Yugoslavia, the city of Belgrade would be immediately surrendered and the soldiers of that city would, of necessity, take to the hills and carry on guerrilla warfare. I was not too greatly influenced by the remarks and assurances of Tito. I would not even now accept his mere statement as positive proof of his sincerity. I base my own opinion upon the information I obtained from many sources and from on-the-spot observations which I made. I earnestly believe that if the Communists invade Yugoslavia that Tito and his armies will fight to death resisting the foot of the invader. I am not kidding myself into believing that Tito is a reformed person, or that he will join the ranks of freemen, or that he will join with us in fighting Russia. But I do believe that he will do his dead-level best to keep the Russian Army off the soil of Yugoslavia.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Did Tito give any explanation of how they happened to shoot down American fliers over Yugoslavia?

Mr. COOLEY. No. I did not go into that with him. But let us look at the broad aspects of this picture. Take the map of the world. Here is something that appeared in a Los Angeles paper.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, here is something that appeared in a Los Angeles paper that you might want to show your constituents. It indicates how the world has been running red with communism. Here we are at this little appendix which you can cover with your finger nail, Korea, where they are challenging the civilized free world. Look at the defeats and the disappointments we have encountered over there. Look how easy it would be if Russia wanted to invade this territory over here. She could circumvent all of Tito's efforts and probably go around the soil of Yugoslavia. But here is an army that I believe will stand and fight and die, not in defense of democracy as we know it and love it, but in defense of their own territory. Tito has got a difficult job. He will try to survive. If he is assassinated or overthrown, or if death comes to him, none of us knows what will happen in Yugoslavia.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. These experts that are attesting to the Yugoslavia Army are the same experts, are they, that told us France had the best army in the world in 1939?

Mr. COOLEY. I do not know about that. I got this from our ambassador, I got this from our military and air attachés and other officials. I talked to members of the American press. I did not see or meet an American in Yugoslavia who did not believe the Yugoslavia soldier would fight in the defense of Yugoslavia.

Now, you cannot regard the Yugoslav soldier as a West Point graduate. Frankly, they look like a bunch of tramps. It is nothing but a slave army. They are working on the highways and the railways like we work our convicts in North Carolina and other States of this country. They are dirty, unkempt soldiers. But, that does not mean that they do not have courage enough to fight for their own country. Whether they will fight or not, or whether this is a good investment or not, I do not think any of us know, but I think it is a risk that we can afford to take.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. The gentleman from North Carolina and the gentleman from Georgia have raised the question that was raised before about the Greek children. I would like to give, for the benefit of the House, the information that we have in the Committee on Foreign Affairs on that subject.

The Yugoslav Government has stated as of September 1, 1950, there were about 9,500 Greek children in Yugoslavia but that 8,300 of these were living with their parents, most of whom are Slavs from Greek Macedonia who fought with the guerrilla forces and do not now wish to return to Greece; in fact, it is doubtful

whether the Greeks want them back. The Yugoslavs reported that the remaining 1,200 children were living in special camps; it is regarding these that the repatriation arrangements have been made and which are now being implemented.

Mr. COOLEY. I think the gentleman has accurate information.

In closing let me suggest this: If we are going to carry out our program of resisting aggression in the world, if you look at this map, then I want to ask you how in the name of high heaven can we carry out such a program? We are woefully weak everywhere in this world. I honestly think that Soviet Russia could walk into Iran, Iraq, and Syria, and take them over by telephone, but for the Yugoslav army and but for our hope of what the Yugoslavs might do. Why, there may be another Korea. I would like to say this about Korea. You talk about getting out of Korea. When you talk about pulling our flag out of Korea, then let me say, if we do then let us bring our men out of West Germany. Let us bring them home from everywhere. We are in this war. It is not a police action. It is a cruel conflict, and our countrymen are dying every hour of the day and night, and our people must be aroused to that fact. Whether we can buy friendship, I do not know. But I will say this, even if we do not give this aid, and I understand 72 percent will come from our surplus commodity supply account—even if we do not give it to him, I do not think Tito can reach back and clasp the hand of Joe Stalin again. Tito may be done with. I do not think he will be able to keep his army through the winter if we do not give him aid.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Accepting the gentleman's statement that the Tito government army is a slave army, does the gentleman think that the United States of America should use such slave troops and, secondly, should supply them with subsistence to keep them in operation in order to be the guardians of freedom in this world of ours?

Mr. COOLEY. Well, I think we ought to do it. I think it is a question of whether we have them in the hills of Yugoslavia or whether we have our own boys there. I have heard talk about the Turkish and the Greek troops. Do you know what a Turkish soldier gets per month? He gets 21 cents per month and one uniform for each season of the year, one for summer, one for winter; not a cake of soap, a razor blade, or pair of socks, but 21 cents a month. If you do not call that a slave army, I do not know what you would call it, and yet I do not mean to reflect on the Turkish soldier, because I think they have given a good account of themselves in Korea.

Mr. FULTON. In talking about the Yugoslav soldier and calling it a slave army, as the gentleman did, does he want to use them as an arm of defense?

Mr. COOLEY. Yes; I would use them, and I would use Tito and anybody else to save the lives of American boys.

American boys cannot fight alone on all the battle fronts of the world nor can American resources alone finance the fighting in all of the vital spots of the world in which we live. If we can help to keep the fighting forces of other nations in the field and on our side, we might be able to save some of our own countrymen. I realize that the thought of giving aid in any shape, form, or fashion to a dictator or to a Communist is somewhat repulsive; but if we have to fight for our own existence, the peoples of other nations must join with us or we will fail in our effort to defend our institutions. I wish that time would permit further detailed discussion of our foreign policy and of our true situation in the world today, but these remarks must be concluded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. There is hereby authorized to be appropriated to the President for additional emergency relief assistance to Yugoslavia a sum not to exceed \$38,000,000 to remain available for obligation through June 30, 1951.

Mr. BURLESON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLESON: On page 1, line 5, beginning with the word "There", strike out all of lines 5, 6, 7, and 8 and insert in lieu thereof: "The President is hereby authorized to expend not in excess of \$50,000,000 of the funds, heretofore appropriated for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended (Public Law 759, 81st Cong.), for the purpose of providing emergency relief assistance to Yugoslavia under the authority of this act."

Mr. BURLESON. Mr. Chairman, to those of you who may be familiar with the so-called McCarran amendment passed in the Senate, this is it. It does two things: It provides a diversion of \$50,000,000 from the existing ECA unallocated and unexpended funds to Yugoslavia. With what has heretofore been done, that is, with the transfer of \$12,200,000 from this fund to the Yugoslav Government, together with funds from the military assistance program and from the Export-Import Bank, making a total of something like \$31,000,000, the amendment actually reduces the total proposal by a figure of \$200,000.

I feel very much as many of you feel. To be realistic about this matter is one thing, and to be emotional and sentimental about it is another. As the gentleman from North Carolina has just said, and while it is fresh in our minds, we are in a situation today which should cause us to look for friends wherever we can find them around this world. I am not kidding myself and I do not think very many of you are kidding yourselves or anybody else. We are taking chances in this action as we have taken all through the aid programs which have passed this Congress.

There is good reason for adopting the amendment I offer. First, there has been some question as to whether or not there

was authority for the transfer of the \$12,200,000 from the ECA fund to the Yugoslav Government, making up the \$31,000,000 expended in stop-gap aid while the Congress was in recess. This amendment will remove that doubt. That is another feature worth your consideration.

There will be no need for an additional appropriation of \$38,000,000. That is certainly an attractive thing to all of us.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman know under what authority ECA even purported to act in advancing the \$12,000,000?

Mr. BURLESON. I do not. It was an action based on exigencies which was thought to exist at the time, in the judgment of our officials. I do not raise the question of legality, but I do have some doubt about it, and that doubt has been expressed in many quarters. It was thought to be expedient and the use of those funds from sources mentioned was authorized by the executive department.

Again, there may be some question as to the legality of what is here proposed, but it is a realistic approach. Mr. Chairman, as example of the practical and more businesslike approach for providing aid to the Yugoslav Government, by using ECA funds already available to Western Europe. I call your attention particularly to conditions with the British at this time.

From September 1949 to September of 1950 Great Britain's allowance out of the ECA appropriations have been approximately \$700,000,000 and in this same period of time the gold reserves and the dollar reserves of the British Government were approximately \$1,330,000,000. So, although it is not suggested to be taken out of the fund which has been allocated to the British or to any other European countries, but rather out of the general fund of the ECA appropriation, it seems to me that we now have the opportunity to spread our bets a little thinner around the world. We have been helping a lot of people, hoping to bring about a greater degree of world peace and stability in this troubled and chaotic world, but they should be willing to tighten their belts, even more and more. I am sure they have had their belts pretty tight for a long time. But since we are telling our people it is going to be necessary for us to make some sacrifices under the circumstances in which we find ourselves today, I feel our friends in Europe should be willing to do the same.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield.

Mr. WHEELER. Am I correct in understanding the gentleman to say that there is \$50,000,000 floating around loose in the ECA appropriation which can be used for this purpose?

Mr. BURLESON. Well, I do not know of any funds floating around loose, but let me say to the gentleman in all seriousness that there is something in the

neighborhood of \$500,000,000 to a billion dollars unexpended and unallocated in ECA funds. In other words, no moral obligation has attached to this sum and that is the fund from which money for the purpose of this bill is authorized to be expended.

Mr. WHEELER. I suggest that that money be returned to the Treasury.

Mr. BURLESON. If we could start completely over in all we have done, hindsight would guide us to do many things differently. On the other hand, by reason of the rapidly changing conditions, time is of the essence and the present is always with us.

Mr. VORYS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 1, at the end of the Burleson amendment, strike out the words "under the authority of this act", and insert a comma and the following: "to be expended upon credit terms as provided in section 111 (C) (2) of the Economic Cooperation Act of 1948, as amended, or on a grant basis subject to the following provisions of this act:

"SECTION 3. When any commodity which is not furnished on terms of repayment in dollars is made available under this act, Yugoslavia shall make a commensurate deposit in its currency in a special account to be held and used for such purposes as may be agreed to between Yugoslavia and the Government of the United States."

Mr. VORYS. Mr. Chairman, you have just heard the McCarran-Burleson amendment explained. I do not oppose that amendment, although I think that it neither adds to nor subtracts from our problems. It proposes to take \$38,000,000 already appropriated for ECA and spend it for something else. If it cuts down the amount needed for the ECA, we are not getting ahead, and if it comes out of money which might otherwise be saved, we are not getting ahead. However, it is a device which will prevent the pain of an additional appropriation for this purpose. My amendment, however, proposes to give the President and Tito two alternatives. First, a straight loan with no conditions, just exactly like the Spanish loan provided in Public Law 759, that was the way we have handled the dictators earlier this fall. On the other hand, if they want to make it on a grant basis, it is subject to a deposit of counterpart funds along the line of the Interim Aid Act which we passed in the fall of 1947 in the Eightieth Congress, and subject to all of the other conditions written in this act.

Thus the two alternatives are, a loan like the Spanish loan, without conditions; or on a grant basis, with conditions like the Interim Aid Act, providing for counterpart and any other conditions you want to write into the bill.

The loan will be administered, like the Spanish loan, through the ECA, with approval of the Advisory Council, which is a body about the same as the Export-Import Bank board. ECA has been more lenient about loans than the Export-Import Bank. The Export-Import Bank makes loans for 10 or 12 years. The ECA has made them for 35 years. Yugoslavia already has gotten \$55,000,000 in loans

from the Export-Import Bank. Britain, appealed to on this food relief program, has loaned Yugoslavia 3,000,000 pounds, about \$8,400,000, and Yugoslavia has accepted it, according to the papers, in the last few days.

Can Yugoslavia repay? Yes. They have strategic materials, copper, lead, zinc, which we need. Since their supposed break with Stalin they have been exporting them largely to the United States. I will give you their exports in recent years of these strategic materials which our side needs in this struggle. In 1948, \$45,000,000; in 1949, \$37,000,000; the first half of 1950, \$15,700,000 worth.

Will they pay? I think they will. Clematis, who was recently Communist Foreign Minister of Czechoslovakia, called our attention in Prague in 1947 to the fact that, curiously enough, Communist countries have a practice of repaying their capitalistic loans. He said, "It is only countries like Britain who do not repay." So I think if Yugoslavia takes the loan we can be fairly sure they will repay it. In fact, we know they are not completely loaned up now. In the background material handed us by the State Department, on page 3, it is said that "negotiations were recently resumed with the International Bank by Yugoslavia for other loans, specifically for economic development projects."

The CHAIRMAN. The time of the gentleman from Ohio [Mr. Vorys] has expired.

Mr. VORYS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BATTLE. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. BATTLE. I do not mean to be facetious, but I would like the gentleman to elaborate on this point that we can be sure that they will repay this loan.

Mr. VORYS. We cannot be sure that any country in Western Europe is going to be able to pay any loan back, because, if a third world war is launched, they are all going to have quite a long moratorium. If, however, you are optimistic and feel as I do, that, out of the troubled indecision in the free world now, we are going to be able to line up the free people in both hemispheres, then Yugoslavia is going to need us and our help to stay away from under Stalin's domination, and we are going to need them strategically. I cannot guarantee that Yugoslavia, or anybody else, is going to repay a loan. I merely say it has a fairly good record on loans so far.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. PATTERSON. As far as this loan goes, is this copper and zinc that Tito would export to the United States going to be collateral for the loan, or will we buy that and also make the loan without collateral, and what would be the conditions of this loan?

Mr. VORYS. They would be fixed by ECA and this National Advisory Council.

I have not attempted to spell out the conditions, except merely to state that Tito has strategic materials available to pay it off. At present we are buying these materials for dollars. I would judge that part of the materials would be shipped in payment of the loan, in addition to the amounts that we are buying. I have not attempted to spell out the specific provisions of this loan.

Mr. PATTERSON. Do I correctly understand that Marshal Tito has said he would not accept this loan, or this gift, or whatever it might be called, under any conditions we might think should be added to it?

Mr. VORYS. We have been told by the State Department that they do not want any strings or conditions at all.

My amendment provides, first, for a loan. They pay us back without other conditions spelled out in the law except reference to the ECA Act. Second, if it is to be a grant, then they must deposit counterpart, that is, deposit their own currency, in a special account to be held and used for such purposes as may be agreed upon between the two countries. Substantially a similar provision is in the Senate bill. I do not attempt to spell out in this amendment any other conditions that will be put upon the grant. Those will be provided in the rest of the bill.

Mr. RICHARDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is time we check up and see where we stand now.

The gentleman from Texas [Mr. Burleson] has offered an amendment which materially changes the bill. As presented by the Foreign Affairs Committee, the bill provides \$38,000,000 for relief for Yugoslavia. The amendment offered by the gentleman from Texas provides that there will be no new authorization and, of course, no new appropriation. Existing surplus funds from ECA will be diverted and used for the purposes set forth in the bill. In other words, it does not call for another dime of the taxpayers' money. In view of the fact that we have not obtained the cooperation that some of us think we are entitled to from our ECA friends, maybe the approval of the amendment will not only help Yugoslavia but it will awaken some of the ECA recipient countries to the realization that we are not getting all the cooperation we have a right to expect from them. At the same time it will not cost the taxpayers anything. For that reason I will go along with the amendment offered by the gentleman from Texas.

The gentleman from Ohio [Mr. Vorys] proposes to amend the Burleson amendment to this effect: First, to make it a loan; and, second, to operate through counterpart funds just as ECA does.

Mr. Chairman, it is simply ridiculous to talk about Tito ever paying this money back. He probably will be unable to, even if he wants to.

There is another ground for my objection to the amendment offered by the gentleman from Ohio, and it is this: He seemingly proposes, through the amendment, to make this a long-range program through a counterpart fund

arrangement just as is done under ECA. The thing we have been trying to impress upon the House since this bill was first considered is that it provides only for an emergency relief program. Yugoslavia should have no grounds upon which to come back later and say that this Congress started this thing and that we should give them more money later to follow through.

If this House wants to appropriate new money to Yugoslavia to effect this so-called relief, then vote down the amendment offered by the gentleman from Texas. If you agree, as I do, that this money could more properly be diverted from existing and surplus ECA funds, then vote up the amendment offered by the gentleman from Texas.

If the Members of the House want to leave the implication that this will be a long-range program with counterpart funds set up as they are now set up in ECA, then vote for the amendment offered by the gentleman from Ohio.

I believe you will be doing a bad thing, and I believe you will be doing a disservice to our taxpayers and holding out false hopes to the government of Yugoslavia if you adopt the Vorys amendment.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. WHEELER. How would the gentleman divert the ECA funds? I should like to know from which one of these countries or from all of these countries does the gentleman propose we shall divert the funds.

Mr. RICHARDS. From any of them or all of them.

Mr. VORYS. Mr. Chairman, does the gentleman yield?

Mr. RICHARDS. I yield.

Mr. VORYS. The gentleman is aware, I am sure, that the Fulbright amendment provided for equivalent local currency for this and that it was adopted in the Senate unanimously.

Mr. RICHARDS. That is an entirely different matter. This bill itself provides for counterpart funds. For what? Only to cover the administration of this act in Yugoslavia by our own people. The Fulbright amendment can be taken up on its own merits later. I am talking about the amendment offered by the gentleman from Ohio.

Mr. VORYS. The gentleman does not say that the Fulbright amendment does not apply to all the relief supplies that are sold for local currency?

Mr. RICHARDS. The Fulbright amendment is not now being considered and is not in the House bill.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. If we were to accept the Burleson amendment, would that be a grant or a loan?

Mr. RICHARDS. It would be a grant but a grant of funds already appropriated by the Congress.

Mr. CRAWFORD. Mr. Chairman, I rise in support of the Vorys amendment.

Mr. Chairman, I am not forgetting that in connection with the creation of

the United Nations organization there was established a very great piece of machinery known as Bretton Woods, which set up a stabilization fund and the Bank for International Credit, and this is the bank that should handle these deals. I have never been sympathetic with the Export-Import Bank nosing into this general picture as it has been explained here the Export-Import Bank did in connection with Yugoslavia in making loans such as the \$55,000,000 loan referred to previously. I do not think that was a legitimate loan, I may say to my friend from North Carolina [Mr. COOLEY], because I do not think a loan made to a Communist country at the present time can be defended as a legitimate loan under present world conditions. Therefore, I look upon the \$55,000,000 advanced by the Export-Import Bank as an outright gift to Yugoslavia because I do not expect a penny of it will ever be paid back.

Secondly, I am in favor of the Vorys amendment because, as I understand that amendment, it would enable this present proposal to be handled in such a way as to let the funds be taken out of the Marshall plan, ECA funds; is that correct?

Mr. VORYS. Yes.

Mr. CRAWFORD. Then be extended to Yugoslavia under a grant or under a counterpart fund arrangement.

The last time I was in Tokyo I discussed this question of counterpart funds with Mr. Joseph Dodge, of Detroit, who had been sent over to Japan to balance the Japanese budget. I asked him how he was getting along in balancing the Japanese budget. He said: "We are making great progress." I said, "On what basis?" "On the basis of use of the counterpart funds."

I am going to ask the gentleman from Ohio [Mr. VORYS] to check me very carefully here. His proposal in connection with the counterpart fund arrangement is that, if we give these goods or advance these goods to the Yugoslav Government, that Government will in turn sell those goods to its citizens for local currency, and that local currency will be impounded in a fund which is subject to distribution and under the supervision of the joint committee between Yugoslavia and the United States Government; is that correct?

Mr. VORYS. Yes, except as drafted and following the plan, it would also apply to goods that are not sold, that are to be given away. Commensurate deposit is required for everything they do not pay for in our Relief Act of 1947. The same technique is supplied in this. However, the gentleman neglected to mention that Tito is given an alternative under my amendment; that he can get a loan.

Mr. CRAWFORD. I was just coming to that, because we have kind of a double-barreled proposition in this amendment. If we want to make him a loan without any restrictions from ECA funds already provided, we can do so under the Vorys amendment. If you want to put him on a counterpart fund proposition where he will put into a fund controlled by a joint commission, we

will call it, a fund of his own currency covering all the goods that we ship him, whether given away or sold through local currency, then that local currency will come under this joint control, and it can then be distributed for such purposes as we deem advisable. Those are the two reasons I am for the Vorys amendment, and I hope it will be carried, and then we can adopt the Burlison amendment and thereby keep this thing tied up in the Marshall-plan funds.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman think we should make a loan to Tito without any conditions whatsoever?

Mr. CRAWFORD. I would much prefer that kind of a proposition than the one submitted in this bill. I am against this bill lock, stock, and barrel as presented. I am for the amendment, but I am not for the bill even after it is amended only by this amendment.

Mr. GROSS. Is not a loan without any condition merely a subterfuge?

Mr. CRAWFORD. I think the whole thing is subterfuge, even the ECA in many of its phases.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from North Carolina.

Mr. RICHARDS. I was going to ask the gentleman if the Vorys amendment is adopted and the Burlison amendment is adopted, will the gentleman be for the bill?

Mr. CRAWFORD. No; I would not be for the bill. I assume the bill is going to be passed, and therefore I want to make it as acceptable as possible.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GARY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. BURLISON]. In my judgment that amendment will serve several purposes. In the first place it will obviate the necessity of an additional appropriation at this time. We hope to have on the floor of the House on Friday, according to my understanding, a supplemental bill appropriating \$18,000,000,000. This appropriation could not possibly be written into that bill at this time; therefore, it is doubtful whether the authorized funds could be appropriated during this session if we attempt to handle the appropriation in the regular manner.

By diverting funds of the ECA for this purpose, it will do away with the necessity of consideration by the Committee on Appropriations and will speed up proceedings. It will, moreover, conform our action to that of the Senate.

As all of you know, I have a great deal of interest in the ECA appropriations, having served as chairman of the subcommittee that has handled the foreign-aid appropriations during this session of the Congress. I therefore talked to Mr. William Foster, Administrator of ECA, this morning, and he tells me that he has no objection to taking these funds out of

the moneys appropriated to the ECA. He said that there will be ample funds to take care of this particular project. He added, however, that he did want to correct the impression that there are between \$500,000,000 and \$1,000,000,000 of ECA funds that might be diverted to other purposes during this fiscal year. That, he says, is not a fact. It appears that some of the countries are recovering economically more rapidly than had been anticipated and consequently that they will not need all of the funds that have been appropriated for them for this present year. Therefore, there will be a sufficient surplus to take care of the \$50,000,000 which is provided for in this bill; the \$12,000,000 which has already been taken from the fund and the \$38,000,000 additional which this bill would provide.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Georgia.

Mr. WHEELER. The gentleman just indicated that he had received permission from Mr. Foster to divert these funds. I am wondering if the gentleman also got permission from Mr. Attlee while he was here last week?

Mr. GARY. May I say to the gentleman that he knows me well enough to know that I do not ask anybody for permission for what I do. I am trying to give this House information. In order to give the House accurate information I contacted the Administrator who has charge of handling these funds, because I wanted to know what effect a diversion would have on the funds. I assumed the other Members of the House would like the same information. I am simply trying to give them that information at the present time. The gentleman knows it is not my custom to seek permission from any of the department heads as to what action I shall take on the floor of the House.

Mr. WHEELER. I did not mean that to be personal.

Mr. GARY. I am certain the gentleman did not mean it that way, but I did want to make it plain that I am simply trying to give the House information.

A short time ago I was quoted correctly in the press as saying that I did not think we should help any dictators, period. I have not changed my position. I say very frankly that I would not raise my hand to help Tito. However, I am tremendously interested in the United States of America and I am going to vote for anything that I think will help the United States of America in this crisis. I cannot help but believe that the passage of this bill will have a good effect.

In October 1947 I had the privilege of visiting Trieste. At that time it was one of the trouble spots of the world.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GARY. Just a few weeks before my visit, the Italian peace treaty had gone into effect. Under this treaty we, along with the other countries involved, were obligated to make some changes in the positions of our troops. We all know what took place. There was an agreement with the Yugoslavs and the Russians that, although the treaty went into effect at midnight, if troop movements were completed by 10 o'clock the next morning, it would be satisfactory. That night about 8 o'clock we were notified by Yugoslavia that they would expect us to carry out the terms of the treaty to the letter and be in our new positions by midnight. We did so. Then, you remember, the Yugoslavs threatened to take over Trieste, but were stopped by our soldiers. For weeks thereafter it was thought that they would attempt to carry out their threat.

I stood one evening with General Gaither, of Maryland, on one of the balconies of the castle Miramare, which was built by Maximilian. The moon was shining on the Gulf of Trieste. To our left shone the lights of the city nestled on the hills. As I gazed upon the scene I said, "General, I think this is one of the most beautiful sights I have ever seen." He replied, "Yes, and to think that Maximilian had all of this, yet he went to Mexico and was killed. With all that I have back in the United States, I stand here tonight, but I hope not for the same purpose." That is how tense the situation was at that time.

There is no crisis at Trieste today. Why? Because something has happened. Then we were facing a threat from Tito. We no longer face that threat because Tito has broken with Russia, and we know that Tito is not going to attempt to attack us as long as he does not have the help of Russia.

If, by extending this aid we can gain his cooperation and help, the situation will be even better for us. In my judgment we are going to need the help of all the forces we can get in this world crisis. I favor this bill, not because I think it will help the dictator Tito, but because I think it will help the United States of America.

Mr. CASE of South Dakota. Mr. Chairman, I offer a substitute for the Vorys amendment.

The CHAIRMAN. A substitute for the Vorys amendment would be an amendment in the third degree and is therefore not in order. The substitute amendment may be offered to the original amendment offered by the gentleman from Texas.

Mr. CASE of South Dakota. Then, Mr. Chairman, I offer the amendment as a substitute for the Burleson amendment.

The Clerk read as follows:

Amendment offered by Mr. Case of South Dakota as a substitute for the Burleson amendment: On page 1, beginning with the word "There", strike out all of lines 5, 6, 7, and 8, and insert in lieu thereof: "The President is hereby authorized to expend not in excess of \$50,000,000 of the funds heretofore appropriated for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended, Public Law 759, Eighty-first Congress, for the purpose of

providing emergency relief assistance to Yugoslavia to be expended upon credit terms as provided in section III (C) (2) of the Economic Cooperation Act of 1948, as amended, subject to the provisions of this act."

Mr. RICHARDS. Mr. Chairman, I reserve a point of order against the amendment, since I have not had an opportunity to look at it.

Mr. CASE of South Dakota. Mr. Chairman, this amendment makes the aid for Yugoslavia come out of the ECA fund and puts it on a strictly loan basis. It picks up the Burleson amendment at the same point that the Vorys amendment picks it up, and drops out the words in the Vorys amendment which read "or on a grant basis," and also leaves out the section which provides for repayment by simply putting up counterpart funds.

Mr. RICHARDS. Is it the essence of this proposition to make this a straight-out loan with any further provisions or conditions?

Mr. CASE of South Dakota. The essence of my substitute is to make it a straight-out loan taking the money from the ECA funds the same as the Burleson amendment does.

Mr. RICHARDS. Mr. Chairman, I withdraw the reservation of the point of order against the amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. JUDD. Did I understand correctly that the gentleman has changed the amount from \$38,000,000 to \$50,000,000?

Mr. CASE of South Dakota. I picked up the language of the Burleson amendment. The Burleson amendment carries not in excess of \$50,000,000. I picked up the Burleson amendment in the same way that the Vorys amendment does, but in adding the language of the Vorys amendment I dropped out the words "or on a grant basis."

Mr. JUDD. What it would do is to authorize loans not to exceed a total amount of \$50,000,000?

Mr. CASE of South Dakota. Not in excess of that amount.

Mr. VORYS. It seems to me we have the various ways of doing this thing presented here.

First is the Burleson amendment, which would use existing ECA funds and not require a new appropriation. No one has objected to that.

Mr. CASE of South Dakota. However, that could be with either a grant or on a loan basis?

Mr. VORYS. Yes. Now, I have proposed an alternative of a loan without any conditions, or, if it is a grant, it is to be done on the basis of counterpart, as in previous legislation. The gentleman from South Dakota provides that we use the same Burleson-McCarran amendment for getting the money without a new appropriation, but that it be made a straight loan, subject to the conditions provided in the law. Is that not correct?

Mr. CASE of South Dakota. That is exactly the situation. This will resolve some of the problems I have had in my mind in thinking about this legislation and perhaps would for others.

In the first place, it does not require a new appropriation. It has the same merit the Burleson approach has.

In the second place, taking the statement made by the gentleman from Ohio as to the degree to which Yugoslavia has repaid its loans, it gives some possibility of getting the money back under the terms of the loan provision. It avoids giving a direct grant without the promises that some of us would like to get with a grant, and which it does not seem possible to get. Also, it seems to me to avoid the implication that we would authorize an out-and-out grant to a Communist country whose hands are not too clean when you come to the question of civil and religious liberties. It makes it possible simply to make them a straight-out loan, and to get the money from ECA, without an additional drain on the Treasury.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. JONAS. Who would have to do with fixing the terms of the loan?

Mr. CASE of South Dakota. The section in the ECA Act, to which reference is made by the language "when it is determined that assistance should be extended under the provisions of this title, the Administrator shall allocate funds from the Export-Import Bank," et cetera. So it would be as carried in that section of the ECA Act and must be the conditions carried in this bill itself.

Mr. JONAS. Is not the gentleman's amendment entirely incompatible with the message received from the President, that this is to be an out-and-out grant, which Tito does not want?

Mr. CASE of South Dakota. It does deny the possibility of an out-and-out grant, without any strings attached. That I think is its virtue.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. CASE] has expired.

Mr. FEIGHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall vote for the loan to Yugoslavia for one simple and single reason: the Commander in Chief of our Armed Forces says such aid is necessary for our national defense.

On November 24 President Truman asserted:

Yugoslavia is a nation whose strategic location makes it of direct importance to the defense of the North Atlantic area.

The defense of the North Atlantic area, I am convinced, is of direct importance to the defense of America.

It would be a reckless American who, in this hour of national peril, would hamper measures necessary for our country's defense. The more effectively to provide for our national security, I have some suggestions to offer in connection with this aid to Yugoslavia. It would be unfortunate, however, if, in the haste of congressional action, these considerations were not brought to the attention of this body.

There is an inevitable human tendency, which I am afraid we Americans have to an acute degree, to think that everyone in trouble is, after all, not such a bad sort of fellow. We have reached

the stage in this country when many people think that Tito is a sort of Balkan Henry Wallace, a pathetic politician who blundered and is endeavoring honestly to find his way home.

Let us face the facts. Josip Broz is an average, if unusually energetic type, of international thug. Where his ideological home is, what his political purposes are, can be easily discovered by his treatment of political opponents and every religious faith.

In line with this "Tito is not such a bad sort of fellow" thing, we have been hearing a good deal lately of the distinction between "good" Communists of the Tito type and "bad" Communists of the Stalin stripe. Let us face the facts. In all the hundreds of thousands of words of mutual abuse that have issued from Moscow and Belgrade since June 28, 1948, when Tito's gang was expelled from the Cominform, there has not been the slightest suggestion of any concrete difference between the Communist regimes of Yugoslavia and of the Soviets—nor any evidence that the people of Yugoslavia resent the oppression under Tito less than the Russians hate their Kremlin masters.

Let us face the facts. Tito is a declared enemy of everything America stands for. Let us not forget that when the United Nations Security Council on June 27 voted to furnish assistance "to repel armed attack"—against the Republic of Korea, "and to restore international peace and security in that area," the lone vote cast against that resolution was by Tito's Talleyrand, Dr. Ales Bebler. With a nice show of impartiality and an embarrassing display of affection for America, Dr. Bebler explained that the war in Korea was the result of dividing geographical areas into spheres of influence. The United States, I suppose, had imperialistic designs on South Korea.

The present Ambassador from Yugoslavia has explicitly accused us of imperialism. Just before leaving for his new post in Washington, Tito's new Ambassador, Vladimir Popovitch, wrote in *Kommunist*, official organ of the central committee of the Yugoslav Communist Party, on June 1 of this year, that American foreign policy has been and continues to be imperialistic. Perhaps we are expected to be grateful that Mr. Popovitch included Soviet foreign policy in the range of his hatred. We must not forget to thank Mr. Popovitch today for saying that Soviet foreign policy, too, represents the same danger for the independence of some nations. We should be grateful that we are, at least now, linked with the Soviets as equal imperialists. On February 9, 1947, Tito was shouting that America was the greatest enemy of peace in the world.

We are voting this aid to strengthen our national defense. Let us make sure it is so used. Let us not forget that only last July 17 Tito's propaganda chief, Milovan Djilas, assured the Yugoslav peace conference that his country was neutral in the struggle between the east and the west. At this juncture of history, in this hour of international crisis, such studied neutrality betrays a secret hostility to America.

But whatever the private prejudices of Tito's political group, the people of Yugoslavia are facing a famine and the great humanitarian heart of America cannot refuse them food. Let us face the facts. Such an argument is different from the original justification that our aid is demanded in the interest of our national defense.

Besides, such an argument raises the question of how this food shortage happened. We have heard a lot about a drought in the country. We heard a lot about a drought in the Ukraine in 1923, too, though, as we later learned, Stalin had more to do with the famine than the weather did.

Before the last war Yugoslavia regularly exported 25 percent of its meat and grain to Italy and Germany in exchange for manufactured products. It is my information that food production in Yugoslavia since the Tito tyranny began has never reached 60 percent of prewar totals. Tito's drive for industrialization, to establish, I suppose, the "dictatorship of the proletariat," had dragged, I am told, 1,000,000 young men peasants from the farms to work in the state-owned factories. Moreover, Tito's regimentation of the farmers has occasioned livestock slaughtering and a lower food output in a normally food-exporting country. His much advertised break with the Cominform has hastened this hectic drive to collectivize the small farmer. According to September 1950 figures from the Yugoslav Agricultural Commission, there are now 6,970 kolkhozes—collective farms—in Titoland. The vast majority of them—5,650—have been created in the last 2 years, or since Tito fell out with his fellow thieves in the Kremlin. Tito is determined—no matter what the price in human misery—to prove that he is a better Communist than Stalin.

We hear a lot these days of Tito's 30 divisions. As we anxiously examine Western Europe's military feebleness, that is a reassuring number of men to have on our side. We understand the need of keeping the muzzles of Europe's largest standing army pointed menacingly against the Soviet aggressors.

But let us ask some questions about that much publicized army. Let us remember that there was a royal Yugoslav Army of impressive numbers we hoped would hold Hitler in 1941. Its effective resistance was overcome in about a week. Tito's present standing army is equipped with captured German and Italian equipment, plus cast-off Soviet matériel. It is manifestly no match for the motorized forces of the satellite countries; not even for the well-trained, well-equipped Hungarian Army.

But wouldn't the army become the center of terrifying guerrilla action from Yugoslavian mountain strongholds? The question supposes that American national defense will be aided appreciably by 100,000 partisans—the number probably loyal to Tito—making raids from the forests.

Before we put too much American defense reliance on Yugoslav military might, let us look a little closer at the armed forces at his disposal. There is the militia serving in each town and village as the armed instrument of the

local Soviets or people's committees and associated with the people's courts. These courts and committees, and especially their armed agents, are considered the embodiment of oppression and cruelty. They symbolize Tito's Communist regime in the eyes of the people. The peasants and townfolk of Yugoslavia would not be expected to rally around the 60,000 militia men any more than the Czechs rallied around Hitler's hangman, Heidrich.

Then there are the 48,000 troops of the Defense Corps or UDBA, a secret police force at the disposal of Alexander Rankovitch as the Gestapo was at the disposal of Heinrich Himmler. They arrest Yugoslavs at night, keep camps of slave labor, mobilize the nation for forced service, seize grain and pigs from the peasants—all for Tito's party. Are the Yugoslavs expected to rally around Rankovitch's secret police?

Let us remember that Yugoslavia's conscript army is composed of peasants and workingmen, serving under Communist commissars, Communist politicians, and former partisans. Key places are held by thugs formerly belonging to the international Communist conspiracy, and considered by all decent Yugoslavs as foreigners.

You have to live under Communists, it must be remembered, to really hate them. Can this gang of international gangsters be expected to sustain a national-defense effort? The popularity of a regime has a great deal to do with the morale of a people in wartime, as we learned to our embarrassment in South Korea.

Since, as the President said, Yugoslavia is a nation important for our national defense, we are properly concerned about the morale and equipment of her army. At this moment of America's peril, food is a feeble weapon to repel a possible invasion of Yugoslavia, that would imperil Italy, France, and all of western Europe. With the President calling for support of Tito's army in the interests of our own national defense, I am moved to urge that we carry our aid to Yugoslavia much further.

Why can we not, in the interest of our own security, send a military mission to Yugoslavia as we have to Greece and Turkey? Why can we not learn at first hand what the worth of Tito's army is for the defense of the North Atlantic area? If its equipment is outmoded and its morale bad, it would be much better for us to know that now and offer measures to strengthen that army, in the interests always, of course, of our own national defense. I have no doubt that our own military people would promptly report that the system of political commissars indoctrinating conscript soldiers with the hated ideology of communism interferes with military efficiency and hence would actually harm our national defense.

Since our exclusive concern today in voting this loan to Yugoslavia is with American security, I am not satisfied that we can wash our hands, Pilate-like, of the implications of our actions by proclaiming that our aid does not imply approval of the suppression of political and religious liberties in that country.

Such conditions of organized tyranny demonstrably affect the popularity of a regime. They condition the morale of its army. They affect our national security.

The plight of refugees is always an infallible index of popular hatred of a government. We know that North Korea was a typically Communist tyranny, even though we had no observers there, from the fact that 3,000,000 people fled to the protection of South Korea in the year after the puppet regime was organized at Pyongyang. People are fleeing from Yugoslavia to Germany in numbers comparable to the refugees from the Soviet satellite countries, and for the same reason.

It is only last September that a false rumor was started in a remote rural area of Yugoslavia that the government was permitting people to emigrate to the United States. More than 1,500 peasant families, the entire population in that area, besieged the American Embassy in Belgrade for visas. Then the police learned of it and letters of recantation arrived at the Embassy, saying: "I have changed my mind and have no intention of emigrating to the United States any more."

There was one note, significantly unsigned, scrawled in pencil on a small scrap of paper, that said:

I beg to inform you that all persons who have registered as immigrants to the United States have been arrested and imprisoned by UDBA. We appeal to your urgent assistance, since all of the people concerned only intended to leave Yugoslavia legally.

I submit that such a judgment of the people on the regime inescapably affects our American security.

It is somewhat reassuring to read that the State Department has made efforts to let the Yugoslav people know that the food we are shipping is coming from the American people and not from the Titoist tyrants. It is good to learn that arrangements have been made to observe the distribution of that food. Since our aid is admittedly in the interests of our own national security, I cannot understand why American teams cannot actually distribute the food. We did it once before in a Communist country—in Russia in 1921.

After all, we have had one unhappy experience of seeing food distributed by UNRRA—and paid for largely by American taxpayers—used to strengthen the power of Eastern European Communist administrators hostile to America. Do we propose to allow our food to be used by Tito's party hacks for their own aggrandizement? That would scarcely improve in Yugoslavia the morale so necessary for American security.

Mr. Chairman, we cannot afford in this hour of national peril to appear to be upholding the regime of Tito which is hated by all Yugoslavs. We cannot afford to be identified in the minds of the poor, oppressed people of Yugoslavia as supporters of the tyrant Tito. We must never forget that it is the people of Yugoslavia, not a small gang of alien international terrorists, that we count on to oppose the military might of the Soviets.

No one in Congress is under any illusions about the character of the government in Yugoslavia. It is a crude, standard, all-too-hideously familiar brand of police state. It is a country cursed with concentration camps, secret police, sudden arrests. It is run by a regime that maintains itself by terror. There is in unhappy Yugoslavia today no freedom of the press, no freedom of elections, no freedom of religion, no freedom of speech. The courts have been perverted to nakedly political purposes, as in every other Communist country. There are the same forced "confessions" of "processed" prisoners kept in underground dungeons until produced at Soviet-style "spectacle" trials. Everything down to the small shops has been nationalized. Forty percent of the arable land has been collectivized, and the ruthless expropriations continue at a frantic rate.

Every Member of this House knows these things. Do we forget that everyone in Yugoslavia not only knows them but has to live under them? Do we propose to encourage the perpetuation of this tyrannical system and thus imperil America's national security?

I want to name three Yugoslav democrats, political leaders, now in jail. I chose three names from three different areas of Yugoslavia, men of different religious faiths, united in their devotion to democratic ideal and in their common fate in Tito's dread prisons. They are Dr. Dragojub Jovanovich, head of the Serbian Agrarian Party; Dr. Boris Furlan, of the Liberal Slovenian Party; and Dr. Tomislav Janchikovich, of the Croatian Peasants' Party.

America needs leaders like these men, alive and free in Yugoslavia today, to tell the people that the people of the United States are their friends; that opposing Soviet aggression is demanded by national interests and human decency—not by any need of saving Tito's hide.

In the interests of our own national defense, I suggest that there should be an amnesty of democratic politicians in Yugoslavia. They are the sincere friends of America and the West.

It would be at least progress, and helpful for American security, if we could return at least to the spirit of Yalta that promised free elections and the right of the people to choose governments freely. These are fundamental freedoms enshrined in the charter of the United Nations, so often called the corner-stone of our foreign policy.

Another fundamental freedom concerns religion. The Yugoslav Constitution under article 25 asserts:

Citizens are guaranteed freedom of conscience and freedom of religion.

There is no one in this House with any doubt of what a mockery those words are. For, like every Communist regime, Titoism recognizes religion as an allegiance to something larger than merely human purposes and, consequently, steadfastly persecutes it.

Members of this House undoubtedly think instantly of the figure of Aloysius Stepinac, the Catholic Archbishop of Zagreb, at the mention of the words "religious persecution." The imprisoned

prelate is only a symbol of Tito's relentless war on God, his grinding persecution of all religion. An American Congressman cannot fail to point during this debate to another martyr, the jailed Serbian Orthodox bishop, Varnava Nastic of Sarajevo. Bishop Nastic was born in America.

Because it directly affects the morale of the people of Yugoslavia and, consequently, has a bearing on American security, let us spend a few minutes on this issue of religious persecution. We must make sure, I repeat, that America not be listed as a supporter of the oppressive Tito regime—if we hope to have the people fighting on our side.

How shall we calibrate the resentment of the religious people of Yugoslavia at a regime which has confiscated every Catholic school, every Catholic hospital and orphanage and old-folks home, that has dissolved the religious orders freely serving the poor and the sick, that has murdered 378 priests whose name are known, and holds 400 more in prison today? What must be the attitude of the people toward a regime that attaches the penalty of immediate dismissal to the attendance at religious services of any school teacher? Speaking to a priest jeopardizes the job of a soldier or civil servant. Officers of the defense service, police, and military may not marry in church or have their children baptized. For civilians, a heavy government tax, varying from \$15 to \$16 for a wedding and from \$50 to \$100 for a baptism, is assessed for legal registration.

What mockery of freedom of religion exists when the government forbids all voluntary collections for the maintenance of the clergy or ecclesiastic buildings whether taken up inside or outside a church, when control of newsprint is manipulated to guarantee the absence of a religious press, when imports regulations are designed to ban the replacement of prayer books and catechisms, when ration permits are refused for wine, wheat, flour, candles, and vestments, so that the very possibility of offering mass is endangered, when candidates for the priesthood and their families are terrorized, when religious instruction is allowed only when classes do not conflict with compulsory Communist party programs, inevitably arranged for the same time as religious services. There is no known instance of a child who attended catechism class obtaining the necessary scholarship for higher studies—or even winning admission to a higher school.

The Yugoslav people hate this situation and the Communists responsible for it with all the deep, emotional anger of a peasant people, rooted in religion and devoted to their national traditions. These are the people who must be our allies in opposing Soviet aggression.

It is in the interest of American security that I call attention to the monstrous tyranny oppressing the Yugoslav people. They will never forgive us if our aid only seats Tito more securely on their shoulders.

In the interest of sound, abiding American security in the Balkans, we must, Mr. Chairman, work persistently,

realistically, and honestly, for democracy, for fundamental freedoms, for human decency in Yugoslavia.

Mr. RIBICOFF. Mr. Chairman, I rise in opposition to the Vorys and Case amendments.

Mr. Chairman, in all this legislation I believe we have to be realistic. The gentleman from Michigan [Mr. CRAWFORD] talked about the International Bank. The facts show that at the present time, since the break with Stalin, Yugoslavia has borrowed from the Export-Import Bank some \$55,000,000. Yugoslavia has further borrowed from the international fund \$11,700,000. I think that the House should understand that until this break in the summer of 1948 the entire Yugoslav economy was dovetailed with the economy of Stalin's Russia. During that time all of its business was going east. It lived on its trade with the eastern satellites and Stalin himself. Since 1948 there had to be quite a reorientation, because there was no longer any question of doing business with the Cominform or the nations in the east.

The gentleman from Ohio [Mr. VORYS] has told this House that a loan has been taken from England, and why should we not have the same situation apply with reference to the funds that come from the United States of America. The gentleman from Ohio, I am sure, realizes that Yugoslavia and all European nations have plenty of sterling. The thing that Yugoslavia does not have and which most of the European nations do not have is dollars. What Yugoslavia needs desperately is dollars, and there is no chance of paying this money back. But we know that Yugoslavia has an abundance of strategic materials which we so desperately need and which are flowing into the United States stockpile. The records show that since the spring of 1949 the United States purchased 66 percent of Yugoslavia's copper export, 54 percent of its lead, 35 percent of its quicksilver, and 30 percent of its antimony. These are materials that the United States must have if the United States is to remain strong. Yugoslav economy is very weak.

If the United States is going to make this a grant, or a loan, or an advance from practical considerations, let us be realistic about it; let us give them the money, because basically we are never going to get it back if we lend it to them. We must approach this with a sense of realism.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield.

Mr. FORD. The gentleman gave figures in regard to Yugoslavian exports to this country, and so forth, from 1948 on. Has the gentleman any comparable figures for prior years?

Mr. RIBICOFF. No, I am sorry, I have not.

I should like to point out further that in the exchange of letters between the United States and Yugoslavia over this particular proposed grant an agreement will be entered into and a proposal has been formulated:

That your government will provide the United States with reciprocal assistance by continuing to facilitate the production and transfer to the United States in such quantities and upon such terms and conditions as may be agreed on, of raw and semiprocessed materials required by the United States as a result of deficiencies or potential deficiencies in its own resources and which may be available in Yugoslavia. Arrangements for such transfers shall give due regard to requirements for domestic use and commercial export of Yugoslavia.

There is no question but that as these materials keep getting in short supply in the United States of America, the United States is going to have to give Yugoslavia or lend to Yugoslavia additional money to get more modern equipment and machinery to increase the production of these most vital materials that the United States so desperately needs.

Mr. LARCADE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at this point it is difficult to know exactly the final provisions of the bill under consideration. The original bill provided for outright grants, as I understand of either food or money; however, amendments have been introduced which may authorize a loan or loans to Yugoslavia. The amendment under consideration provides for a loan.

Should the final draft of the bill provide that our Government supply Yugoslavia with food or supplies, I desire to bring to the attention of those charged with the administration of the program the commodities of my district and State which in my opinion, would be desirable to send to Yugoslavia. One of these foods is sweet potatoes. There is a surplus in the United States and the caloric content of sweet potatoes is the next highest of all foods to wheat. Another basic food that is available in my district is rice. This is one of the cheapest foods available and at this time is eagerly sought after by Asia and other countries of the world.

I note from the Washington Food Report of December 2 that under the original plan our Government contemplated supplying Yugoslavia with the following foods: Corn, 125,000 tons; flour, 26,000 tons; oats, 60,000 tons, barley, 50,000 tons; dry peas, 30,000 tons; dry beans, 15,000 tons; rice, 5,000 tons, lard, 5,000 tons; dry skim milk, 6,000 tons; seeds, 18,000 tons.

If the above statement is correct, you will note that provision is not made to use sweet potatoes which is considered one of the finest and most nutritious food available.

It will also be noted that while rice is included in the program, only 5,000 tons of rice is allocated, under what is presumed to be an allocation of \$38,000,000.

As stated above rice is considered a basic food the world over, and since this basic food is also in surplus in the United States and is one of the cheapest foods obtainable in the market at this time, my people feel that there should be included in this program a greater amount of rice than that mentioned in the statement to which I refer. Certainly, rice should be supplied in an amount equal to oats and barley—50,000 to 60,000 tons.

Rice is grown principally in the States of Louisiana, Texas, Arkansas, and California, and present statistics indicate that there is a very large surplus of rice in the United States, and since there is possibly no other market outside of the United States at this time, it seems that since this food is so universally consumed in the world that if the bill under consideration should finally provide for the supplying of food to Yugoslavia that this country should utilize a larger share of this food in the program than that which is indicated in the announcement of the Government, and I am taking this time to place this matter before the committee and the Government officials so that when the time comes for the purchase of food supplies under the bill they will give consideration not only to the purchase of rice, but also to sweet potatoes, both of which are fine and cheap foods.

Mr. COTTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, during the 4 years of my service in this body I have rarely taken the time of the House for my observations, certainly not on matters which do not come from the committee on which I serve; but I feel that I cannot remain silent longer today.

These amendments offered to the bill now before this committee indicate even more strongly than what transpired here yesterday exactly what we are trying to do, and it seems to me unfortunate if any of us, sincere and honest though we may be, permit ourselves to salve our own consciences by trying to hedge this bill about with amendments and think we are justified in supporting it. We are either going to give this money or not, and no amendment can make this any other kind of proposition.

For 4 years I have gone along with all of our foreign policy, with all of the foreign aid, and with all our endeavors to strengthen the western democracies and extend our own influence. But here we have something entirely different. This is not aid to the friends of freedom as was the Marshall plan for the western democracies. We know that this is tribute, hush money, appeasement to an enemy. This is not building up our own strength but is advertising our weakness. This is not creating good will but is inviting the contempt of the world.

Many years ago at a time in our history when we said what we meant and meant what we said, a great American spokesman stated:

Not one cent for tribute but millions for defense.

We have now come to the place, and every one of us knows it, when we have lost the respect of the world. No first-class power in history has ever been so discredited, so disgraced, and so humiliated as has our own country in the last few months. The time has come when out from the American Congress should go the message that we are prepared to make America strong, that we are not spending any more time or effort in appeasing our enemies.

This is nothing but an effort to try to immobilize the power of the Yugoslavian Army, an attempt to buy it off. When

the five American fliers were slain by the air power of Yugoslavia, one of those boys came from a town neighboring my own. I remember the day when I talked with his father and his mother. I did not want to permit that experience to affect my judgment on this bill. I wanted to accede to the request of the President, if I could, but the more I have listened the more I have become convinced that the time has come when we should let it be known that we are through with appeasement; we are through with buying our peace; we are ready to make America strong and "not one cent" in the words of that great statesman "for tribute but millions for defense."

Let us win back our own respect and the respect of the world and let us start here and now. I shall vote against this bill.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I just listened to the wise words of the gentleman from New Hampshire and I subscribe to everything he said. It seems to me that the time of appeasement has gone about as far as it can go with people and the newspapers, political writers, and others, calling our attention to these things.

It seems to me that in a country as great as our country is, a country that has the fundamentals of freedom at heart, it is about time we start worrying about the United States of America and not be worried at all about this so-called communism they are talking about, because this country believes in the Christian religion and we are going to fight for it. We are going to fight for it maybe with bullets or cannons or airplanes, but whatever it may be we are going to fight just the same as the Christians have since the days of the Holy Roman Empire. They cannot beat us.

I talked with one of the most influential men, in my opinion, who has ever served in this Congress for a great many years. I go to him many times for advice. A great many times I do not take it, but I go to him just the same. He says that we are bribing Yugoslavia. That is all we are doing. When did we sink so low, Mr. Chairman, when the great country that we represent here has got to buy people to carry out battles for us? Mr. Chairman, I am only just talking now for the people I know and I have known for 60 years who believe in a representative, constitutional government. I want to say to you that the letters I get from them abhor the idea of trading with the enemy. We will fight our own battles just as we have through the centuries and we will not have to pay somebody to carry our battles for us. Eighty-five million dollars. Does it not make you kind of laugh to sit here and think that we are selling out for \$85,000,000 to some country that has no use for us, that has shot our boys down in the war, and telling us where we could go? Well, they cannot do that to me, Mr. Chairman, and they cannot do it to the people I represent. Eighty-five million dollars. We are just wasting time. There is not a country in this

world that does not hate us and there is not a country with any self respect but what has a right to do it, because we are sticking our nose in everybody else's business instead of trying to take care of our own.

Ask me, Mr. Chairman, to appropriate \$100,000,000,000 for this country to provide rifles, tanks, airplanes, whatever it may be, and I will vote for it, just the same as everyone of you will. But, when you attempt to tell somebody in Yugoslavia, or make a trade with them, or China or anyone else, we are not in a position to make trades. They are the ones that should make trades. So, we sit here and waste an afternoon or two afternoons over a paltry \$85,000,000 and tell the world that we are doing it to have some tramp army, as they say, take care of us. Well, we do not have any tramp armies in this country. We have the kind of boys that went to war when I did. I walked up the streets of Liverpool and an old woman said to me, "What are you doing here when the war is all over?" Well, the war was all over for them but it only just started for us in 1917, and now we take on the responsibility of carrying the load of the world on our shoulders.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the consideration of this bill, and if you want to know what has happened to the Government of the United States, just walk over to the new House Chambers that are being prepared for us to go into on the 3d day of January and look at the modernistic medallions that are placed over the entrances into the galleries. They are medallions of persons. Now, I will read the names of them to you. I have just now been there and copied them down. I find two Americans among them, and I will give you the entire list: Mason, Poethier, Colbert, Edward I, Alfonso X, Gregory IX, St. Louis, Justinian, Tribonian, Lycurgus, Hammurabi, Moses, Solon, Papinian, Caius, Maimonides, Suleiman, Innocent III, de Montfort, Grotius, Blackstone, Napoleon, and Jefferson.

Mr. O'KONSKI. No Tito?

Mr. HINSHAW. No Tito.

Mr. MASON. No Truman?

Mr. HINSHAW. No Truman.

Mr. WHEELER. No Stalin?

Mr. HINSHAW. No Stalin.

Mr. WHEELER. No Attlee?

Mr. HINSHAW. No Attlee.

Mr. FULTON. No George Washington?

Mr. HINSHAW. No George Washington that I could find anywhere in the Chamber. I understand, however, that his portrait will be returned. Do we not have enough American heroes that we could find a place for them on these medallions? I ask you what has happened to our country. That room, with its lovely pale blue above and its dark wood below, garnished in gold leaf that they are now putting on, looks something like a cross between a business chamber of what the Good Book of Revelations calls the whorl of Babylon and the Ro-

man circuses where early Christians were martyred.

Mr. NICHOLSON. Did they have a place for the American flag or the UN flag?

Mr. HINSHAW. I trust they will have a place for the American flag behind the Speaker's chair as usual.

Mr. Chairman, I am informed that small busts of the men I have listed have been around the House Chamber since early times, but, as any Member will testify, they were hardly noticeable. Now these men stand out all around the Chamber in large modernistic medallions over the gallery doors. They are the most prominent decorations in the place. Why cannot we have such great Americans as the signers of the Constitution or such great American legislators as Webster, Clay, Calhoun, and others in their places?

Mr. CARNAHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are soon going to vote on these amendments which are to determine whether or not the proposed aid to Yugoslavia is going to be in the form of a loan or is to be a grant. We should give rather careful attention as to just what the economic results would be of making this a loan instead of a grant.

Yugoslavia, the same as any other country, has only one means of earning dollars and that is through selling us goods, through exporting something to us. In the case of Yugoslavia, they are exporting to us strategic raw materials such as copper, lead, mercury, and zinc. It uses the dollars acquired through these exports to service existing dollar loans, such as the \$55,000,000 in credits which it has obtained from the Export-Import Bank, and to purchase from us raw materials, including cotton and capital goods which it buys from the United States.

If we make this a loan instead of a grant, the only result would be that Yugoslavia's ability to service existing loans and to buy from us other products would be reduced by the amount of the loan.

This bill provides for the shipment of foodstuffs to Yugoslavia. Foodstuffs do not in themselves produce additional capital. This is an entirely different matter from shipping industrial equipment. Industrial equipment would increase Yugoslavia's ability to earn. If these funds were for the shipment of capital equipment, then there would be more reason to insist that it be made a loan, because the loan would result in increased production in Yugoslavia with which to pay off foreign indebtedness.

I am quite in agreement with loans for this purpose from the Export-Import Bank or from the International Bank, but I repeat, it is different from foodstuffs which are not capital producing. We would therefore gain nothing in the long run by insisting on making this a loan instead of a grant.

This bill will find its justification in our strategic and political interests. We are trying to strengthen the capacity of the Yugoslavs to defend themselves against Soviet imperialism. We also

hope through this bill to strengthen the ties between the Yugoslav and the American peoples. I assume no one will claim that a loan would be as conducive to the attainment of these ends as would a grant. Let us not lose sight of our main objectives.

Let us not kid ourselves that we have any real possibility of getting back a net \$38,000,000. I am sure all will agree with me that if 10 years from now there has been no war we will be glad to forget the \$38,000,000. If war intervenes we will have no more chance of collecting the loan from Yugoslavia than the proverbial snowball.

Mr. JACOBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no one who has ever taken upon himself the responsibility of voting on these momentous issues and no one who has studied history could have listened to the words of the gentleman from Massachusetts without feeling there should be some discussion of why the obvious fact which he stated here is a fact. We are approaching the Christmas season. I came on the floor and Members were talking about appropriating \$38,000,000 to feed starving people. I do not believe I would have had any difficulty in voting for this measure on the basis of Christian charity. It certainly is very little. I do not care how the people who are dominated would get the food. They are human beings. But I find this proposal to feed starving people couched in warlike language. I find that for some reason I must agree with the gentleman from Massachusetts that throughout the world we have but few friends. It is one thing to proclaim that you are a Christian. Sometimes it is quite a different thing to practice Christianity. I want to make a suggestion to explain why we have not won some friends, let us say, in the Orient. We support the United Nations. I do, and I always have. We must uphold its decisions. But I wonder if we have exercised the influence we should exercise in arriving at those decisions. I find in reading current history that France, if she had 40 Joans of Arc and as many divisions, could not protect her own continental borders. Yet we are supporting France in trying to maintain a colonial empire in the Orient. That is only one of many examples. I would like to support this measure on the basis of casting bread upon the waters. But when I come to the point that the very act of passing the measure is in itself because of the tenor of this debate a warlike measure, I sometimes wonder whether or not we are a good deal like Bobby Burns' Holy Willy, when we proclaim our Christianity, but our practice is certainly quite different.

I see in the press a great deal about praying. Almost everybody prays, but some people spell it with an "a" and some people spell it with an "e." Sometimes that causes differences of opinion. In my judgment it may be necessary to pass this bill because of the course we are following. I say I may yet vote for it because being convinced that we will follow that course, it will be better for our country to have cast this bread upon the water with warlike language, than not to

have cast it at all. But the course of history does not seem to have been observed by many people. Shall I mention another example? Korea. Certainly Korea was the creature of the United Nations. I do not know all the issues. I am just a country lawyer from out in the Mid-West, but I do know there were some ugly rumors that were going on inside of Korea before the outbreak. I would like to have seen my country appear before the United Nations and call for an investigation to right any injustice, or to determine whether there was any injustice. Then I think we would have been on a much stronger moral ground, if we would have gone in when we went in to uphold the decisions of the United Nations. I wonder how many people had read the history of Korea before the decisions were made.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. JACOBS] has expired.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. JACOBS. Never since the establishment of Jamestown, save and except the time when the deal was made between this Government under Theodore Roosevelt's administration and Taft with reference to the Philippine Islands, and even before Jamestown was laid out, it had been the consistent historical fact that the Chinese were coming to the aid of the Koreans each time any outsider landed on that peninsula. I wonder how much consideration was given to all these things and to these rumors of injustice in Korea, or consideration given to going before the United Nations and trying to get some decisions based on justice and equity. I do not know. I am not a member of the committee that handles this bill. I may vote for it, simply because I am convinced it is best in the course we are going to take and not because I think it is the best course to take.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. JACOBS] has again expired.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the question on this particular amendment or group of amendments is whether the amount shall be a grant, which is a gift to Yugoslavia, or whether it will be a loan which she will have to repay. The question comes up whether this is an act of kindness or whether this is a strategic action. For my part, I disagree with the gentleman from Indiana [Mr. JACOBS] and I agree with my colleague the gentleman from Montana [Mr. MANSFIELD], because he was frank enough to say to me yesterday, in reply to my question, that this was not a humanitarian bill but was a strategic bill, in order to obtain immobilization of 32 divisions in a possible conquest of Western Europe. That is actually what it purports to be.

Then let us see if these people are in dire straits or have the ability to pay. I believe this is a legitimate point of in-

quiry, in all fairness to the American taxpayer who is called on to foot the bill.

On page 24 of the hearings before the House Committee on Foreign Affairs, Mr. Perkins of the State Department, Assistant Secretary of State for Europe, said in regard to the diet of Yugoslavia:

The normal diet in the past has been 2,800 calories in Yugoslavia. The estimate is that, with the foodstuffs they have on hand, that will drop to about 2,300 calories.

So the current drop is only about 500 calories. In answer to Mr. VORYS' question:

That is, this contemplates no tightening of their belts?

Mr. Perkins says:

About 10 percent of their food ration. Mr. VORYS. But there has yet been no starvation or any real hunger there?

Mr. PERKINS. No; not up to this moment, if that is what you mean.

Mrs. BOLTON. Do you mean in Yugoslavia?

Mr. VORYS. Yes.

Let us see what else there is. The gentlewoman from Ohio [Mrs. BOLTON] on page 68 introduced this in the record of the hearings from a newspaper clipping:

The hunger in Yugoslavia, once the granary of Europe, has its true cause in the foolish and unnatural communistic economic plan which has been imposed by a minority on the masses of the Yugoslav people against their will.

Mr. Haggerty is a special agricultural assistant for our embassy in Yugoslavia. He has been in Yugoslavia some months making an investigation for this particular bill and this relief program. Mr. Haggerty says this in comment on the newspaper clipping:

I would classify that as a half truth. It is true that during the three-odd years of the Communist administration in Yugoslavia there has been economic deterioration in every phase of the economy, agricultural as well as others. It is still true this year. There has been to a degree apathy on the part of the peasants to produce, those who are in the collective farms, a great many of them having been coerced into joining. They have no great enthusiasm for it. They would just as soon see the collectives fail. Their attitude is "Let Henry do it."

And we might say here: "Let Uncle Sam do it."

Mr. Haggerty goes on to state:

There has been this downward spiral, to put a statistical handle on it—I would not state it as a final judgment—but just to illustrate it, I would say that the fallen production between 1949 and 1950 might be due to the extent of 10 or 15 percent to general economic deterioration and apathy, and the rest of it is due to the drought.

With about an 18 percent drop from 2,800 to 2,300 calories per day, it can be seen that a large part of the cause is the inefficiency of the government even on Mr. Haggerty's own statement.

The question is whether 2,300 calories is sufficient for Yugoslavia during this intervening period until the next crop season. If you will go back to June 4, 1948, page 7212 of the CONGRESSIONAL RECORD, volume 94, part 6, you will find where I had an amendment to increase the daily calorie ration of displaced persons in Germany from 1,550 calories that was set up by our Appropriations Committee of this Congress to a mere 2,000

calories. The amendment was voted down 102 to 37 by this Congress; we would not even continue to feed those displaced persons 2,000 calories a day in 1948, on June 4, 1948, when we passed the appropriation bill. The United States policy on Europe, and, for that matter, Yugoslav citizens who were displaced persons, was far short of the calories now available to Yugoslavia.

Let us see what else there is. Italy has helped out temporarily in this situation in Yugoslavia, in the last few months.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. BLATNIK. The gentleman mentioned that collectivization has something to do with the decreased productivity of agriculture.

Mr. FULTON. That is correct. The productivity has been decreasing progressively, according to the State Department, as the current Yugoslav Government's collectivization program has been pushed against the people's resistance.

Mr. BLATNIK. But will not the gentleman admit that of all the war torn countries of Europe the one that was most devastated both in physical destruction and loss of human life, loss of livestock, which is the mainstay of life and the principal means of transportation, that the destruction was by far more severe in Yugoslavia than in any other part of Europe with one single exception?

Mr. FULTON. That gets away from the issue. The problem here is why Yugoslav current calories available have fallen from 2,800 daily postwar, to a present 2,300 calories. That war destruction did not prevent them from getting back to 2,800 calories postwar, which everybody agrees was satisfactory before the collectivization program was pushed during the last year or so. Let me proceed. I will quote what the caloric intake was for 1948-49 in Greece: It was only 2,468, and in 1947 it was 2,266. This was not as good as Yugoslavia.

In Italy today there is only 2,243 calories a day being used by the peasants, and yet Italy has been asked by us to send aid to Yugoslavia to increase their calories to 2,600 a day. And to the Italians' everlasting credit, despite all the history of trouble over Trieste, and the previous threats from the Yugoslav Government, they promptly complied. Now how about seeing the Italian calorie supply is increased to 2,800 daily? We like to see the people of Yugoslavia eat better, and the same should hold true for Italy.

May I point out that in 13 countries of the world, which contain over half of the world's population, the people exist on 2,000 to 2,300 calories a day: Brazil, 2,343; Chile, 2,351; Colombia, 2,283;

Peru, 1,925. The South American countries run much less than the current rate of consumption in Yugoslavia. How about helping our South American friends, too? Japan has only 1,834 calories today, and we certainly should encourage them. Yet Yugoslavia, even as they say under present drought conditions, has 2,300 calories. Pakistan has 2,028 and the Philippines are living on 1,908 calories. Burma, 1,986; Ceylon, 1,918; China, 2,115. India lives on only 1,621 calories daily. Yet we refused to help India. We should assist our Indian friends to obtain at least a subsistence standard, and I urge you to consider this problem.

So you can see Yugoslavia is not on a starvation basis because over half of the population of the world gets less calories today than the Yugoslavs have. The Yugoslavs have been able to develop their agriculture and their agricultural commodities until they are living better than one-half of the world's population. This bill is not upon a starvation basis at all as was stated.

This is a matter solely of, "Do you want to pay for 32 dictator's divisions? Do you want to give up principle to do that?" If you do, you are not destroying your so-called world enemies. You may be destroying yourself.

Feeding deserving people is an entirely different thing from using their sons and forces in a play of power politics. I want the long-suffering people of Yugoslavia and the whole world adequately fed, but the purpose of this bill is expediency and will cut off hope in America from the democratic and younger elements of Yugoslavia.

Mr. BLATNIK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, reference has just been made to the fact that a slight decrease in productivity can be attributed to the collectivization of the agricultural or rural economy of Yugoslavia. That perhaps is true. Other factors were mentioned. But the major factor was completely overlooked.

Of all of the war-torn countries of Europe the country that by far suffered the most severe and devastating and widespread destruction of physical property, means of livelihood, human life and livestock, which is basic to its economy, which is primarily agrarian, that country was Yugoslavia. Other countries, such as Greece, which too suffered frightfully through years of brutal occupation, then rent assunder by internecine guerrilla warfare, Italy, France, England, and others—all of these countries, needed aid, and substantial aid to prevent them from collapsing right after the war. They would have collapsed if they had not received substantial aid from our country. Aid which totals up into the billions of dollars and runs over a period of several years.

The surprising thing is not that there is a serious food crisis in Yugoslavia and quite some economic hardship. The surprising thing is that they have not long ago collapsed. But they are still on their feet. After the economic sanctions and the economic blockade imposed by the eastern satellite countries of Rus-

sia, which cut off completely what trade or economic intercourse was then going on, by all of the economic rules in the book Yugoslavia should have completely collapsed, which was the purpose of the economic blockade. It is very much like a doctor putting a thermometer in the patient's mouth and the temperature reads 120 degrees. By all medical rules the patient should be dead, but somehow or other he is alive.

The past record of the Yugoslav people is perfectly clear—they have exerted themselves to the utmost to carry their own weight, and against great handicaps and difficulties and there is no question that they will continue to do everything they can for themselves before calling for an outside helping hand. The drought of the past season, however, was too much and now they do need an outside helping hand. This aid of \$38,000,000 the State Department states has been pared down to the narrowest margin, and even with this plus what other help they may get from other countries, will just enable them to pull through for the coming 6 months of this winter, and then allow them to go on to their spring planting and then to carry on on their own.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to take issue with the gentleman from Minnesota on the question of destruction in Yugoslavia. I traveled extensively throughout some of the countries of Europe which were affected by the war, and I also traveled a good deal through Yugoslavia. I saw less destruction in Yugoslavia than I saw, for instance, in Amsterdam, Holland, or in Frankfurt, Germany or in Warsaw and other parts of Poland, and I think his statement is open to a good deal of question. Of course there was destruction in Yugoslavia but when he says there was more than any other country in Europe I would like to have some figures. I want to tell you a little bit about how some of that destruction came about. The gentleman from Minnesota made a very moving argument here yesterday about how many people were killed in Yugoslavia during the late war and I will not question his figures. But I would like to have a little information about how many hundreds of thousands of those people were killed by Tito or Tito's men. I do know this, that on Easter Sunday in Belgrade during the last year of the war and Easter Sunday in Belgrade does not come on Easter Sunday in the United States because they do not use the same calendar we do—Tito asked that American bombers bomb the city of Belgrade, which was not strategically important; he specified that day and he specified the hour. That day and hour happened, purely by accident I suppose, to be on Easter Sunday when the Serbs were coming out of the orthodox churches. You can still hear about that in Belgrade today and I have more than a little bit of reason to believe that he did it for a purpose, and that purpose was that he wanted the Serbs, who have a natural affinity toward the United States, to hate this country. Tito is like all Communists.

He knew at that time and he knows today where he is going and what he wants. There will not be any debate in Belgrade about any conditions regarding any aid we give them. Why, if you read the little bulletin that the Yugoslav ambassador put out, they even tried to explain away the fact that they do not have any elections in Yugoslavia. You go up in front of a whole lot of people, election officials, and you pick up a ballot which says that you are for Tito's ticket, and you put it in that box, or else you pick up a blank ballot which means you are against the regime, and in front of that same group you put it in the other box. The ambassador in this little bulletin says it is probably pretty hard for Americans to understand this as being a democratic election. Well, some of the people in my district who came from Serbia could tell you in far more colorful language than would be appropriate here it is extremely hard to picture that as being a democratic election. Yet that is the kind of an individual you are dealing with. Oh, yes, I drove down into Serbia a year ago in one instance the old lady in the door of this little peasant cottage told about Tito's men coming to that door and calling the husband out and asking why he had not contributed more, and before he had a chance to answer they shot him down in front of his grandchildren and his children.

For two whole days we traveled through Serbia. I talked to a good many people those 2 days and the rest of the week in Yugoslavia. Not one single person did I find who, when he knew we were Americans, would say he was for Tito or Tito's regime. As a matter of fact, without knowing that they would not be reported, they took their lives in their hands and said, "Tito is no good. Tito is no good." If those people believed that about him, what could anybody else think about him? What is the use of kidding ourselves? You cannot put it on a practical basis. You cannot put it on a Christian basis, may I say to the gentleman from Indiana [Mr. JACOBS], much as I should like to go along with him on that, because Tito is an atheist to begin with. He does not believe in God. He does not believe in good deeds. He does not have any morals. You just cannot deal with a man without morals on any basis that a moral people understand. It is just impossible to do it. I think we ought to think about that a little bit before we go too far in committing ourselves on any sacrifice of principle in dealing with a character of that kind.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 15 minutes.

Mr. SUTTON. Mr. Chairman, some of us have been wanting to speak for about an hour now, and we have not had a chance. I object.

The CHAIRMAN. Objection is heard.

Mr. SUTTON. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SUTTON. Mr. Chairman, ever since this bill came up yesterday I have been on the floor listening to every Member who spoke, with the exception of the gentleman from Minnesota [Mr. BLATNIK]. I was called to the office and did not get to hear him speak. I was trying to find some justification for supporting this proposal.

Yesterday evening when I went back to the office I called up the Library of Congress and had them browse through the Records of 1938 and 1939 and find the speech our majority leader the gentleman from Massachusetts [Mr. McCORMACK] made on Russia. I wish I had that speech with me today. It is one of the most beautiful speeches I have ever read. It was a condemnation of communism, of all forms of communism. That was at a time when the gentleman from Massachusetts [Mr. McCORMACK] asked that the Ambassador from Russia be withdrawn. He had logical reasoning then, sound reasoning. It was one of the most logical talks I have ever read in my life. I wish some of you would go to the Library of Congress and read that speech. We who were not privileged to be here at that time missed something. I suggest that you who were not here then read it, and I am sure you will feel just as I do, you will hate communism just as our majority leader did then and as I do and other Members do now.

Let us get down to a little realism. I am like my good friend and neighbor down the hall from me, the gentleman from Connecticut [Mr. RIBICOFF]. Let us stop, think, and listen, and get down to realism. Some have said that this is to be done from a humanitarian standpoint, that we are asking for this \$38,000,000 to go to the aid of a starving people in Yugoslavia.

About 3 weeks ago I had the privilege of being in New York. I had never been down in the Bowery. I had heard so much about it.

It is not an isolated spot. It is not the only spot like it in the United States of America. I spent one entire Sunday afternoon walking through that section of New York, the great metropolitan center of the world. My friends, had you gone through that section as I did, and had you seen those starving people—Americans, true, patriotic Americans, just as patriotic as you and I are—then you would think twice before you sent any money across before taking care of those people here. Then I came back to Washington on Sunday afternoon, and on Monday afternoon I walked through some of the alleys of Washington, D. C., the Nation's Capital, and the Capital of the world today, the place where the entire world is looking for guidance. I went down on Ninth Street. I went through some of the alleys here in Washington, D. C. The Bowery is not an isolated case. I saw men, American men, patriotic citizens of America, digging in the garbage cans right here in Washington, D. C. You have seen them yourselves. Last evening when I was home thinking about this bill I wondered: Are we true to ourselves in appropriating \$38,000,000 for people in Yugoslavia when we are letting our own people starve—people who do not have 2,000 calories a day—and yet we want to build

up the calories for the people over in Yugoslavia, which is a Communist country, to more than 2,500 calories a day? I wondered: Are we actually thinking of America first of all?

My friends, from a humanitarian standpoint you do not have to go out of America to spend \$38,000,000. You can go to my district in Tennessee and to the district of the gentleman from Massachusetts [Mr. McCORMACK], or any other district in the United States of America. You will find people starving. So from a humanitarian standpoint you cannot grant this \$38,000,000 for that reason. These 32 divisions—my friends, you cannot buy friends, it is true—because when your money runs out your friends run out on you. If we want to appease somebody, if we want to buy somebody, if you think that American dollars can buy fighting forces, why do we not appease China? They are fighting and killing our boys today. Why do we not offer them some money? Maybe they will stop killing Americans over in Korea. They are right at our throats now. Not one person on this floor, not one person on this committee, has said that Tito has volunteered in any way to give us any aid at all or any assurance for this \$38,000,000. My friends, on what basis can you offer them the \$38,000,000? They have critical materials that we need; yes. If they want to trade with us—if they want this food so badly, let us trade with them and give them this food which they need for the materials that we need. Let us think of America. We are in a critical stage today, more serious than many American people think, and probably more serious than you and I think. We who are at the age right now where the chances are that we will have to go back should world war III come find this pretty serious. I was just talking to HUGO SIMS a few moments ago. He is 29 years of age and he is going back into the service of his country. Many more of us will have to go back if we get into an all-out war. We have to think about these things. I am thinking about all of America. Thirty-eight million dollars will buy a lot of bullets. Thirty-eight million dollars will buy quite a bit of ammunition for the boys not only in Korea but wherever America might have to fight.

My friends, think of America and may God help America and God help you and to h—l with Tito and these enemies of ours.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments to section 2 do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS] to the amendment offered by the gentleman from Texas [Mr. BURLISON].

Mr. VORYS. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

There being no objection, the Clerk again reported the Vorys amendment.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Is it the parliamentary situation that the vote now comes on the amendment offered by the gentleman from Ohio [Mr. VORYS] to the Burleson amendment, the Burleson amendment being the amendment which takes the money from ECA, and the Vorys amendment making it available either as a loan or a grant? Then, following the vote on the amendment offered by the gentleman from Ohio [Mr. VORYS], which I assume is in the nature of a perfecting amendment to the Burleson amendment, the vote will then come on the amendment offered by the gentleman from South Dakota as a substitute for the Burleson amendment, either as amended or not?

The CHAIRMAN. The gentleman is correct in his interpretation.

The question is on the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. Vorys) there were—ayes 43, noes 55.

Mr. VORYS. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the substitute amendment be again reported.

There being no objection, the Clerk again reported the Case substitute amendment.

The question was taken; and on a division (demanded by Mr. CASE of South Dakota) there were—ayes 54, noes 58.

Mr. CASE of South Dakota. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. CASE of South Dakota and Mr. RICHARDS.

The Committee again divided; and the tellers reported that there were—ayes 80, noes 93.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BURLESON].

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 1 after the Burleson amendment add "upon express prior assurance by the Government of Yugoslavia—

"(1) to take all necessary action to reduce its relief needs and to lessen the danger of similar future emergencies;

"(2) to comply insofar as possible with recommendations of the UN to prevent and resist aggression, and to respect the territorial boundaries of adjoining democratic countries and territories including Austria, Greece, and Trieste;

"(3) to arrange for the release and return under United States and UN supervision of the Greek orphans, as well as all orphans of whatever nationality taken or held by the Yugoslav Government or its agents without legal right;

"(4) to stop imprisonment and persecution of eastern and Roman Catholics, and all persons because of their official position or membership in the church of their choice, or because of their religious beliefs;

"(5) to enforce adequately the provisions of the Yugoslav Constitution to guarantee freedom of speech, religion, press, and assembly;

"(6) to relinquish claim of dual citizenship in respect to nationals who have become citizens of other countries, including the United States;

"(7) to conform to its obligations as a member nation of the United Nations."

Mr. RICHARDS. Mr. Chairman, I wish to reserve a point of order. May I ask the gentleman from Pennsylvania if he does not think that amendment would come to section 3 rather than section 2?

Mr. FULTON. The point of offering it at this particular place is that before this question comes up the Yugoslavian Government must give assurance as to these seven conditions. It could either be put in under the section 3 agreement or it can be put in preliminarily before you even start to do any talking about an agreement that these conditions must be met by assurance of the Yugoslavian Government.

Mr. RICHARDS. Would not the gentleman offer it to section 3?

Mr. FULTON. I would agree here it can be put on section 3 but I would rather have it right here where you say that there shall be appropriated a certain amount, then say upon the express prior assurance by the Government of Yugoslavia.

Mr. RICHARDS. Mr. Chairman, I withdraw my reservation. I have not seen the amendment and I do not know much about it.

Mr. FULTON. Mr. Chairman, the purpose of this amendment is to impose certain conditions upon this aid program. These conditions are the conditions that anyone who is in favor of freedom throughout the world will readily agree to. These conditions are prior conditions on which the Yugoslavian Government must assure our Government before we even go into the subject matter of a written agreement under this act.

The first condition is as follows:

1. To take all necessary action to reduce its relief needs and to lessen the danger of similar future emergencies.

The condition gives the United States the right to say to the recipient government, "Your policies are again running you right into this very same thing, and if you further collectivize and kill initiative by unfair acts you are further making an inefficient government, and we must have assurance you will not do that before entering into an agreement.

The second condition is as follows:

2. To comply insofar as possible with recommendations of the United Nations to prevent and resist aggression, and to respect the territorial boundaries of adjoining democratic countries and territories including Austria, Greece, and Trieste.

As to the second condition, we must have assurance that the Yugoslav Government will clear up the current long-

standing disputes they have with their neighbors.

The third condition is as follows:

3. To arrange for the release and return under United States and United Nations supervision of the Greek orphans, as well as all orphans of whatever nationality taken or held by the Yugoslav Government or its agents without legal right.

Under this third condition, the Yugoslav Government must give their assurance on the detained orphans, of whatever nationality, before the United States representatives sit down to agree with them.

The fourth condition is as follows:

4. To stop imprisonment and persecution of eastern and Roman Catholics, and all persons because of their official position or membership in the church of their choice or because of their religious beliefs.

Under this fourth condition, we should insist on release from imprisonment of all those now incarcerated, and freedom of religion, whether Catholic, Protestant, or Jewish.

The fifth condition is as follows:

5. To enforce adequately the provisions of the Yugoslav Constitution to guarantee freedom of speech, religion, press, and assembly.

Under this fifth condition, we must insist upon the Yugoslav Government guaranteeing freedom of speech, religion, press, and assembly. I might also say that that is required of members by the United Nations Charter.

Condition 6 is as follows:

6. To relinquish claim of dual citizenship in respect to nationals who have become citizens of other countries, including the United States.

The Government of Yugoslavia now claims if a person is once a Yugoslav, he is always a Yugoslav. That means that many United States citizens cannot even get out of Yugoslavia to come back to this country. Many of you have that problem of claimed dual citizenship in your districts.

The seventh condition is as follows:

7. To conform to its obligations as a member nation of the United Nations.

The seventh condition is in response to Mr. CASE's suggestion that this be put in as an express condition. Here it is an express condition that we must have the prior assurance that these seven items are met before we sit down and negotiate an agreement with the Yugoslav Government.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Iowa.

Mr. GROSS. Are those provisions mandatory or elective?

Mr. FULTON. They are mandatory. The Yugoslav Government must give the assurance that it will conform to these steps before we will discuss with them any agreement that the President might make.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 55, noes 66.

Mr. GROSS and Mr. TAURIELLO demanded tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FULTON and Mr. RICHARDS.

The Committee again divided; and the tellers reported that there were—ayes 71, noes 96.

So the amendment was rejected.

The Clerk read as follows:

Sec. 3. No assistance under authority of this act shall be made available nor shall any funds appropriated hereunder be expended until an agreement is entered into between Yugoslavia and the United States containing the following undertakings, and any others the President may determine to be desirable, on the part of Yugoslavia:

(a) To make available to the Government of the United States local currency in amounts required by it to meet its local currency administrative and operating expenses in Yugoslavia in connection with assistance supplied under this act.

(b) To give full and continuous publicity through the press, radio, and all other available media in Yugoslavia to the assistance furnished by the United States.

(c) To permit persons designated by the Government of the United States to observe without restriction the distribution of commodities and other assistance made available under the authority of this act, and to the extent necessary for this purpose to permit full freedom of movement of such persons within Yugoslavia and full access to communication and information facilities.

(d) To make equitable distribution to the people of Yugoslavia of the commodities made available under this act without discrimination as to race, color, or political or religious belief.

With the following committee amendments:

On page 2, line 12, after the word "States", strike out the period, insert a semicolon and the following: "and to allow to the United States, in cooperation with Yugoslavia, the use of such media as may be required to accomplish this purpose."

On page 2, line 16, after the word "observe", insert "and supervise."

On page 2, line 17, after the word "distribution", insert "by Yugoslavia."

On page 2, line 22, strike out "of" and insert "in."

On page 2, line 24, after the word "act", insert the following: ", as well as similar commodities produced locally or imported from outside sources."

On page 3, line 2, strike out the word "color."

The committee amendments were agreed to.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 3, after line 2, insert a new subsection (e): "To take all necessary actions to reduce its relief needs, to encourage increased production and distribution of foodstuffs within Yugoslavia, and to lessen the danger of similar future emergencies."

Mr. JUDD. Mr. Chairman, many of us voted against the amendment submitted by the gentleman from Pennsylvania [Mr. FULTON] because it went too far. It practically dictated in detail what the policies of the Yugoslav Government must be in its internal affairs. I do not believe we have the right to do that with any foreign government, whether we like its policies or not. But when this Nation is called

upon to provide funds to assist in a food shortage in another country, which in part results from certain definite governmental policies of that country, then I think it is only a matter of good hard sense, and proper Yankee horse trading to have something to say about changes which must be made in those policies which aggravate the food shortage, if American taxpayers are to help alleviate it.

There are three causes for the food shortage in Yugoslavia. One is the drought. That is an act of God, and we want to help with any suffering resulting from it. The second cause is that Tito in order to get foreign exchange to buy machine tools and other things to build up his armaments and industrialization has been taking food right out of the mouths of his own people and exporting it. That ought to be stopped, and this amendment would require that he do it. The third and most important is his policy of land collectivization which discourages the peasants from producing to the maximum, and even more, discourages them from selling or putting on the open market any surpluses that they may produce beyond what their own families need. It seems to me that when our Government sits down to make an agreement with Tito under which we are to send supplies to help feed people there who are hungry, we must as a minimum require that during the period when aid is being furnished by the United States under this act, he will agree to suspend those two government policies and any other actions which contribute to the food shortage. As a condition for receiving American aid he must stop exporting food which is needed in the country, and he must stop trying to collectivize the farms which takes away incentive for farmers to produce and sell all that they possibly can. When our Government is advocating land reform and wider distribution in many countries and is urging family-owned and operated farms here in the United States, it ought not to be helping Tito go in exactly the opposite direction in Yugoslavia.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. RICHARDS. After listening very carefully to the gentleman, although I have not had an opportunity to study his amendment, it appears a good amendment to me and I would like to say that we are willing to accept it on this side.

Mr. JUDD. I appreciate that decision by the acting chairman of our committee and I think it represents the part of wisdom.

Mr. TACKETT. Mr. Chairman, I move to strike out the last word.

I must necessarily oppose the amendment which has just been offered imposing certain political responsibilities upon Yugoslavia as a prerequisite to receiving funds from our Government, because our people long ago established a policy of never imposing our political governmental system upon any other nation. This amendment amounts to no less than an effort to infiltrate and impose our policies because of our wealth at a time while we are fighting the efforts of Rus-

sia to infiltrate in another form—by force. There is very little difference. Every nation should have the sovereign right of its own type of government, and no nation—the United States, Russia, or any other—should ever be authorized to infiltrate its sovereign rights by money or force.

It has not been but a few days since the European recovery program was being discussed on the floor of this House. Today, I fail to hear those who were then hollering long and loud, "The Marshall plan funds are for the purpose of defeating and preventing communism from spreading all over the world." But, today each and every proponent of this bill comes to the floor prefacing his remarks with an apology for supporting such legislation. You hear them in various phrases and in divers manners apologetically stating in the beginning of their remarks that they are not for Tito; that they are not for Yugoslavia; but that they are realists and necessarily need support this legislation. To do what? To help spread communism in Europe and throughout the world. There can be no other interpretation placed upon this legislation. When insisting upon Marshall plan funds, it was to stamp out communism. Today many of these same Members are providing for the nourishment of communism.

If it be true that this legislation is to assist starving Yugoslavs—however the record upon which these contentions must be based do not reveal these facts—I am wondering the argument for the cause of such a situation in Yugoslavia at a time when a very large percentage of the normal crop yield was produced and gathered this last year. We continuously argue in our democracy that communism will not work; that it is bad; and that only free people can hope to exist and reap the benefits of their entitlements. Where today is that argument about freedom of religion, freedom of press, freedom of speech, freedom of assembly, freedom from Government regimentation, and all the other freedoms which we cherish and contend must be the basis of any government if the people are to advance? The predicament of Yugoslavia is exemplary of our contentions on behalf of democracy. Their system of government has failed and regardless of how much food or money is sent there, you well know that it will never reach the people and will be used by Dictator Tito in trade for war armament to foster the communistic ambitions for world domination.

This bill merely proposes to assist in the building within Europe of a Communist government at a time while we are telling the taxpayers of this country that we need spend billions of dollars in Europe to prevent the spread of communism. You cannot buy friendship, and you know it.

We did in World War II for the father of communism, Joe Stalin, exactly what you now propose to do for his underling, Marshal Tito. However, before we assisted Joe Stalin during World War II he had already committed himself to our ball team. In fact, he had already commenced fighting on our side of the fence

before we went to his aid. But today, Tito tells you in sum and substance, and in no too indefinite and uncertain terms, "I am not promising you believers in democracy anything; still I want you to give me, in addition to the \$55,000,000 loan, an additional \$38,000,000 free grant of United States money." None of you has the audacity to predict that Tito would ever fight on the side of democracy, or on the side of any free people. Very few of you would hazard the guess that he will not be supporting our adversary in a time of conflict. You merely insist on a poor gamble while admitting that the cards are stacked against us.

It would be impossible for a committee of three Members of this Congress to stay within a small incorporated town of this country composed of two or three hundred people for a period of 3 or 4 days and be able to ascertain their true convictions concerning the many ramifications of international affairs. Yet, two or three Members of this Congress spent a couple of days with the thousands of people in Yugoslavia; had a conversation with Tito; and came back here advocating assistance to Tito while, at the same time, admitting that he is a dictator of the worst degree; that he and his subjects are full-fledged Communists; that none of them has any faith in our system of government; that all of them think that democracy should be abolished; and that Christian ministers, priests, and nuns are jailed merely because of their belief in and advocacy of Christianity. These gentlemen well know that the slaves within Yugoslavia could never expect to enhance any proposed benefits from us, even should they be entitled to our efforts.

Just a few days ago our top Government officials met with responsible representatives from Great Britain and came forth with a no-appeasement decision. Can it be contended that this bill is anything short of appeasement? This is an effort to buy what Russia is attempting to gain by force, and yet we are stupid enough to demand no performance by Yugoslavia for the receipt of our funds.

Mr. Chairman, there is no earthly excuse for us to support this measure. I am wondering how all of you who profess to be of the Christian faith and believers in democracy can face your people, knowing as you do of the oppression of the Christian belief and the imprisonment of such advocates in Yugoslavia.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. FULTON. I want to compliment the gentleman. May I say this: How can anybody appearing before the Committee on Un-American Activities be asked if he is a Communist if we, by this bill, are supporting communism?

Mr. TACKETT. The proponents of this legislation apologize, Mr. FULTON, for this communistic measure and attempt to circumvent the predicament that you suggest they might find themselves in by merely saying in the beginning they want it generally known that they are not supporters of Tito. That is supposed to make everything all right

and hunky-dunky. You know as well as I do—and they should know—that to support this bill is to support a Communist government during our efforts to stop the spread of communism throughout the world.

How are you Members who have been clamoring for the Marshall plan going to explain this to your people when you go back home and they readily recall the speeches you have made about how we have necessarily had to spend billions of dollars to keep communism from spreading?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. TACKETT. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TACKETT. Even though I have realized the necessity of peacetime European aid from this country on behalf of friendly democracies in their efforts to rebuild their war-torn countries which were devastated at a time while they were assisting themselves and us, I have previously voted against aid during peacetime due to the enormous amount involved, sincerely believing that we could not hope to keep our democracy strong while spending on foreign soils more than our economy would allow. At the same time, I must admit that my vote on European aid has given me considerable concern. I have not always known for sure whether my vote was the correct one. It was difficult for me to understand how we could spend so much while receiving so little. My contentions have been pretty well exemplified by the efforts received from even the friendly democracies during the Korean conflict. Some would have us believe that all of the 13 present democracies in Europe would have now been communistic had it not been for our assistance under the European recovery program. I cannot contradict those contentions, neither can the proponents of such contentions sustain their claim. All will admit that we have gained little through the billions of dollars we have spread over the world. It has not precluded war, and we have no defense in Western Europe. I have considered the European recovery program during wartime as a wartime measure and a contribution to our national defense and, therefore, have unhesitatingly voted for the Marshall plan during this emergency as a defense and wartime measure.

After the passage of this legislation, I will be at a loss to know the battle cry for world war III. In World War I and World War II the morale of our men was boosted by the thought that they were fighting for freedom—freedom of religion, freedom of press, freedom of speech, freedom of assembly, and freedom from government regimentation—a war to end all wars. What are you going to tell them as a battle cry when we enter world war III? Are we to admit today by this legislation that we have been lying to our fighting military personnel since 1917 by giving millions of dollars

to a Communist government that knows and cares nothing about freedom, right or wrong, or lasting peace?

Mr. Chairman, I cannot believe that we are in such a predicament that we need sell the principles which have made this the greatest Nation upon the face of the globe.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. CANFIELD. I agree with the gentleman in everything he says, and this is my first break with my Government's foreign policy. I do not know but what Tito today is playing Stalin's game. The whole thing is a big fraud on the free democracies. Will the gentleman say something about that? Who knows? Who knows?

Mr. TACKETT. I wish to read a portion of a news dispatch from Egypt wherein an official of that country is insisting upon his government's maneuvering itself into a position of getting money from the United States Government. The official is quoted as follows:

Britain and America are frightened whenever the eastern block is mentioned. Why should not Egypt use agreements with the eastern block as a bargaining point with Western Powers?

Every nation known to us has awakened to the fact that we are suckers for a pretense of friendship. They merely need hint becoming friendly with Joe Stalin in order to receive funds from us in our efforts to buy friendship.

Tito against Joe Stalin. Joe Stalin against Tito. Now, is not that a laugh? Joe Stalin will take over Tito any time he so desires regardless of the billions of dollars that we are foolish enough to give Tito even if we were willing to protest his abolition. Of course, Joe will delay his taking over Tito until Yugoslavia has been fattened with moneys, food, and military armaments from the United States.

Mr. Chairman, I do not claim to be highly versed on international affairs, but my 10-year-old boy is sufficiently intelligent to vote against this legislation.

Mr. WHITE of Idaho. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is interesting after all my experience and service here in the House of Representatives to have the opportunity to follow the gentleman from Arkansas. There are a lot of things that this Congress should know about in connection with this situation in Yugoslavia, the so-called Tito dictatorship. I am going to say to you Democrats—and I have been here 18 years with you as a Democrat—if you want to make the American people protection-minded, this is the best way in the world that you can get across to the American people that they must have protection for their domestic industries. About the only things they have over in these so-called Marshall plan countries, particularly Yugoslavia, to use for commercial trading as between countries are what they can dig out of the ground. They have no factories, they cannot manufacture enough material to supply their own needs, their farming has broken down. So the only thing they can send

us is what they dig out of the ground—their minerals.

We are doing everything we can to destroy our domestic mining industry. We are bringing in lead under the ECA plan and under the Stockpiling Act from European countries, the dependencies of the Marshall plan countries, particularly Africa; we are bringing in copper, zinc, and lead from Yugoslavia and when this stockpiling business is over, if peace should come to the world and if plans are worked out so that we can abandon this great rearmament program, the mining industry in the United States would go on the rocks. People in the mining communities will be walking the streets of this country in a starving condition because there would be no price for the metals they might produce. We, by the passage of this bill, will do more to make the American people protection minded than anything else we could do.

Mr. Chairman, there are certain avenues of information open to all of us. Over in the Department of Commerce there are different sections which deal with the commercial and financial activities of these various foreign countries. There is over there what we used to call the British Empire unit, now known as the British section. We have the Eastern European section over there also.

I just called to get some information as to how much of a national debt Yugoslavia has. I had some little difficulty reaching the people because they take these long noon hours, but I finally got the Export-Import Bank. The first thing I found out was that there had been \$55,000,000 loaned by the Export-Import Bank to Yugoslavia, at 3½ percent, that there was \$7,000,000 loaned by Belgium and that Yugoslavia has obtained \$9,000,000 from the International Monetary Fund on which they pay no interest. There is also \$33,000,000 that they owe on the prewar debt, at 3 percent.

How much of a national debt there is in Yugoslavia—that is war debt—I could not obtain. They have a secret act over there which prevents giving out any industrial, commercial, or financial information by anyone except through government channels; so you cannot find out about the conditions in that country.

Their monetary unit is a dinar, which is fifty to our dollar. In voting for this bill I would like to know how many of the bonds of Yugoslavia are in the vaults of London and how many of those bonds of Yugoslavia are in the vaults of New York and how much of this \$38,000,000 we are going to appropriate here will go to maintain the integrity of Yugoslavia and its national debt so that they will not go in default? In other words, are we going to pay interest on our own debt and at the same time contribute money to pay the interest on the national debts of all the Marshall-plan countries, particularly Yugoslavia?

Mr. MANSFIELD. Mr. Chairman, I move that all debate on the pending amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. Judd].

The question was taken; and on a division (demanded by Mr. Judd) there were—ayes 106, noes 4.

So the amendment was agreed to.

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was amused this afternoon when the gentleman from North Carolina [Mr. COOLEY] compared the appeasement of Tito to the tune of \$38,000,000 with the courting of an American girl in offering her flowers and candy. Now, I have never been entertained by Tito in his luxurious mansion as has the gentleman. However, I know something about the rudeness of Yugoslav troops toward American GI's and American Congressmen, if you please. Of course, it was back in the fall of 1947 before the so-called incurable divorcee of Stalin and Tito, something I cannot for the life of me believe. I was in Trieste in September 1947 when there were communistic riots in the streets. I could not sleep at night because Tito's partisans were marching up and down the streets singing their favorite songs about Tito. It so happens that on the day I arrived in Trieste two American GI's committed a terrible crime in the mountains outside of Trieste. They stepped over, if you please, a poorly marked boundary line between Yugoslavia and the free zone of Trieste, and they were immediately seized by Tito's troops and jailed. Commanding our forces in Trieste at that time was Maj. Gen. Bryant E. Moore, now superintendent of the United States Military Academy at West Point, N. Y. I learned one of those boys was a New Jersey boy and I discussed the matter with the general and he told me frankly he could not do a thing with the Yugoslav generals toward effecting the release of those GI's. He asked me if I was willing to undertake a mission to go down to road block No. 5 and talk to some of those Yugoslav military leaders. And, I did. I was given the grandest run-around for several hours, one of the Yugoslav officers saying to me, "Is it not too bad, Mr. Congressman, that on the very day your delegation arrives in Trieste from the United States of America that some of your American GI's thought to step over our boundary line? They are now in jail." One of these boys was from New Jersey and the other from Virginia, from Arlington, Va., represented in this Congress by the distinguished gentleman from Virginia [Mr. SMITH], who is for this bill. Do you know what they told me when they were released 6 days later? They told me they were briefed hour after hour on the tenets of communism, and they were asked pointed questions hour after hour about the number and disposition of our troops in Trieste. Tito wanted to know. You cannot tell me there is an incurable divorcee between Stalin and Tito.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from South Carolina.

Mr. RICHARDS. Is not the gentleman talking about something that happened at Trieste several years ago?

Mr. CANFIELD. Yes, in 1947, the very year we were giving Yugoslavia

millions of our dollars for food and other aid.

Mr. RICHARDS. That was before Tito broke with the Cominform, was it not?

Mr. CANFIELD. I do not believe there has been such a break. Does the gentleman think that?

Mr. RICHARDS. Sure.

Mr. CANFIELD. Is the gentleman sold on that?

Mr. RICHARDS. Yes, and everybody else is, almost.

Mr. HESELTON. Wait, then, until you see the vote on this bill in the House of Representatives. Wait then until you see. This bill ought to be defeated here today in the interest of the defense of the free forces of democracy in this world.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: On page 3, line 2, after the word "belief," insert a new section as follows:

"SEC. 4. All of the funds made available under authority of this act shall be utilized to the fullest practicable extent in the purchase of the commodities from the surplus commodities in the possession of the Commodity Credit Corporation."

Mr. HESELTON. Mr. Chairman, this simply expresses what I believe would be the specific intention of Congress. Unfortunately, I tried to place some figures in the RECORD last night so as to make them available to all of you, but they did not reach the printer. Consequently I can give you these figures only hurriedly.

As I understand it, the committee report indicates that in the past program practically all of the commodities that were sent over were taken from the surplus food commodities held by the Commodity Credit Corporation. I understand from the committee report it is anticipated that something like 71 percent of all the food that is sent will come from that source, but I do not think we should be satisfied to leave it just with the committee report and not express our firm and clear intention that this should be done even to a greater extent, if possible.

I am not prepared to discuss the kinds of food that are being chosen or why they were chosen or whether there can be any other arrangement made to avail ourselves of these tremendous stores of food.

But I can say to you that at the end of October we had 1,743,484,890 pounds of butter, cheese, dried milk, dried eggs, dried beans, and dried peas, that cost the taxpayers of this country \$381,833,495.60. But even more important, whether we pass this bill or do not pass it, everyone of us knows we are going to impose upon the great American people greater taxes, greater costs, greater burdens in the days that lie ahead of us. For storing those six commodities alone for only 4 months during the time of the Korean War they paid out \$7,537,153.31.

We can accomplish two things if we will only firm this bill up by adopting this amendment.

We can direct those who are going to administer this program to examine it

carefully and carry out this mandate. We will also be taking a bit of the burden off of the taxpayers' back.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. RICHARDS. May I say that we do not have any objection to the gentleman's amendment. It might help.

Mr. HESELTON. I thank the gentleman. I am sure that it can help. At least we shall have done all we can at this stage.

For the record, under permission granted me, I want to include a breakdown of the figures as to the six commodities.

	Inventory Oct. 31, 1950	Cost	Carrying charges
<i>Pounds</i>			
Butter.....	168,889,008	\$104,253,780.07	\$1,567,317.93
Cheese.....	109,319,543	36,819,645.70	1,150,513.34
Dried milk.....	383,500,481	49,409,955.86	1,836,367.63
Dried eggs.....	108,648,358	114,986,624.21	1,021,758.67
Dried beans.....	902,857,100	73,743,837.99	1,668,642.62
Dried peas.....	70,270,400	2,624,651.77	292,553.12
Total.....	1,743,484,890	381,838,495.60	7,537,153.31

LET'S SAVE AMERICA FOR AMERICANS

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this will probably be the only opportunity I will have to express my opposition to this legislation to give Communist Tito \$38,000,000 out of the pockets of the overburdened American taxpayers.

We have been under the domination in this country, it seems, of wild-eyed internationalists for the last few years. What has it brought us? One ex-serviceman with scars all over him said to me the other day, "We have just been through the most useless war in history. Our boys won the fight, but the victory was turned over to Communist Russia, the worst enemy civilization has ever known."

These wild-eyed internationalists want us to get into a world government. Well, you are in one now, the so-called United Nations; and look at the front page of that paper and see what we are getting out of it. They sent our boys into Korea without consulting the Congress of the United States, which, under the Constitution, is charged with the duties and responsibilities of declaring war. Our boys were sent there to be killed by the thousands, yes, tens of thousands, with instruments and munitions purchased with the money which Congress has given away to the various nations of the earth. And today they are driven off the continent of Asia with tremendous losses and are struggling for dear life to find some method of getting out of Korea.

Already our casualties in Korea are enormous. You talk about the United Nations—where are they? They sent American boys to do the fighting and dying and expect Americans to do the paying, while Tito and Stalin play and laugh behind the lines. Already the casualties in Korea have amounted to more than the casualties in the Revolutionary War, the War of 1812, the War with Mexico, and the War with Spain, all

put together. American boys have suffered more casualties than our forces suffered in all four of those wars, as a result of that irresponsible internationalism while we hear some long-nosed individuals denouncing fellows who follow the policy of George Washington, Alexander Hamilton, James Madison, John Adams, and Thomas Jefferson as "isolationists."

Our boys are being killed with instruments of war which were purchased with the money that the Congress appropriated, and gave to foreign countries, in my opinion without constitutional authority.

Do not kid yourselves about old Tito. Is not this the same old Communist who murdered our aviators who happened to fly across the line, and buried them without notifying us?

Is not this the same old criminal who murdered Mihailovitch, who protected our boys during the direful days of the Second World War? You are not getting anywhere except heading toward that bankruptcy which Lenin in 1920 said was necessary to bring to the United States in order to bring her down to where we could be conquered by communism.

No—I am not going to vote for this measure. I have taken as much abuse from the Communists of this country, and abroad, as any man who ever served in the Congress of the United States, because of my attitude. I have seen, and I have known, who those Reds are and what they are up to. I say to you that we should not go down into the pockets of the overburdened taxpayers of America—a country which owes more money today than all the rest of the world put together—and dish out money to Tito, to a Communist of the vilest type under the pretenses that he might decide to fight on our side if we get into a European war.

Now the boys are getting back home. They are headed for home now. The so-called United Nations has proved to be a miserable farce. If you do not believe it, just wait until you hear from the people at home. We had better spend our money to build up our own defenses, build up a strong air force, provide an adequate supply of atomic bombs, radar facilities, and every instrument of war to save America and enable America to lead the people of the world to freedom by precept and example. We cannot lead them to it by bribery, or drive them to it with the bayonets.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no one can arrive at an accurate appraisal of conditions in present-day Yugoslavia without first being made aware of the religious situation. From a study of the religious situation, it can be determined whether the Yugoslav Government is really democratic, whether as a temporary member of the United Nations Security Council Yugoslavia is keeping its pledge not only to help make the world a more secure place to live in but also whether the Yugoslav Government grants to its own people the

fundamental human rights. The issue is not to be judged by a high-minded speech of Marshal Tito or a Yugoslav delegate to the UN. The issue must be judged on the basis of the facts; by what is taking place in Yugoslavia today under the Tito Communist regime.

When the Tito Communist regime took control of Yugoslavia after the Second World War, it was immediately obvious that the regime was fanatically communist, and that the Communist way of life would be forced upon the 16,000,000 of Yugoslavs. The new Government set the Communist machine in motion. There began the ruthless communization of the land, seizure and confiscation of private homes, convents, great amounts of church property. Thousands and thousands of persons who were thought to prove troublesome to the Communist regime in the future were thrown into prison; many were killed. The schools were filled with teachers with instructions to make Marxism the order of the day. The press and radio, completely in the hands of the regime, blared hourly the party line—the voice of freedom was stifled. The Communist regime was determined to bring to its knees all enemies within its borders, and it was thus that the regime vowed to bring to destruction its greatest known enemy, the Catholic Church. Ever since Karl Marx wrote that religion was the opium of the people, Communists knew that Christianity and communism could not stand side by side; one must give way; one must compromise. Tito was convinced that the compromiser would not be he. Priests were arrested; a number were killed. Convents were confiscated and sisters were made homeless. Catholic schools, hospitals, orphanages were appropriated by the state. The Catholic press was destroyed. The amount of religion taught in the state schools was insignificant; it was difficult to teach religion as such in the churches. Police agents were everywhere, taking note of sermons, listening and reporting conversations. What little property remaining to the church after the outrageous agrarian reform was being taxed so highly that bishops and priests were unable to pay what was exacted from them. With all these events behind him, Tito set out to secure the undoing of his greatest Yugoslav opponent. In this, too, Tito met with success. After a mock trial, which shall live in infamy, the beloved shepherd of the Croats, Archbishop Stepinac was committed to prison for 16 years. Protests from this travesty of justice reached the palace of Tito from all over the free world, but Tito turned a deaf ear. Archbishop Stepinac was where he wished him to be—behind prison walls. By striking the shepherd, Tito hoped to scatter the flock.

June 1948 saw the famous Kominform resolution, expelling Tito from the family of communism. To the western world it appeared that the iron curtain was beginning to fray, perhaps this might be the beginning of the end for communism. Some thought that Tito would be the first to admit that communism was not what his people desired. But Tito soon informed the world of his

stand. He had parted ways with Stalin, but not with communism. He was a loyal follower of the Marx-Lenin line. Tito claimed that he was the real Communist; Stalin was a deviationist.

In spite of the split with Stalin, there was no appreciable relief given to the people from the backbreaking requirements of their Communist masters. The persecution of the church continued with so much determination that even in the year 1949 some 100 priests were arrested; most of them without even the benefit of a mock trial. Arrests of priests and seminarians continue in 1950. It is known that two priests died in prison as a result of the treatment received at the hands of their jailers. Religious orders of sisters, with the exception of a few small houses, were dissolved in the Republics of Slovenia and Bosnia-Herzegovina, and in the area known as the Backa. In Slovenia, where the people are 95 percent Catholic, some orders of priests were dissolved and their property confiscated. A number of churches have been destroyed. One church was converted into a movie studio; another was given to a non-Catholic sect.

The Communists have not been too clumsy in pursuing their drive on Catholicism. Churches have been allowed to remain open. Visitors, coming to Yugoslavia, seeing that the churches are open, proclaim that religious liberty exists in Yugoslavia. In spite of open churches, verbal orders have been given that no policeman or member of the military service is to go to church. A soldier, who goes to church in spite of this prohibition, is the exception and a tribute should be paid to his personal courage. Government workers who frequent church do so at the peril of losing their jobs and means of livelihood. They are dissuaded from being married in church or having their children baptized. Students in the lower schools have been ridiculed in class by their teachers because they attended mass. University students have been discriminated against and even expelled because they insisted on being practicing Catholics. In order to wean the children away from the influence of the church, excursions are planned for Sunday morning or meetings held which the youth are obliged to attend. Some cinema houses are built near churches and special films are shown on Sunday morning during mass time.

Untold pressure has been brought to bear on priests and bishops to force them to join priests associations. These associations have been founded and aided by the government for the purpose of usurping the authority of the bishops, and to cause confusion in the church by separating priests and bishops. All these things happen in spite of the fact that the Yugoslav constitution guarantees religious freedom by virtue of article 25.

The facts depicted above are not isolated facts of 1946 or 1947; these same things are happening today while Yugoslav delegates are sitting at the Security Council and General Assembly meetings. Yugoslav delegates protest that they are being discriminated against by the Soviet Union and those countries in its

power. We deplore this discrimination, but even more we deplore the ruthless persecution imposed upon the Yugoslav nation, while their delegates protest to the world, through the medium of the United Nations, that they seek nothing but peace. The world press writes little or nothing of the persecution of 16,000,000 Yugoslavs. The voice of the nation is silent through ruthless control.

The question has now arisen of giving unconditional substantial aid to a nation that will be hungry this winter. Any decision taken regarding this aid without considering the facts laid down in the first part of this memorandum is to care little for the destinies of the Yugoslav people. In Yugoslavia today there languishes in prison Archbishop Stepinac of Zagreb, Bishop Cule of Mostar, and over 300 Catholic priests. Thousands of sisters have been made homeless. The prisons are filled with God-fearing Yugoslavs because they are opposed to the communistic régime. In reading the second part of this exposé, section 1 cannot be forgotten.

Christian charity demands that we must help our starving brethren. But the question of placing millions of dollars worth of aid in the hands of the Yugoslav Communist regime poses many difficulties.

First. To help Yugoslavia substantially without exacting certain conditions is to be ignorant of the real situation. Some conditions, which would be welcomed with great joy by the Yugoslav people, would be the granting of freedom from the ruthless control exercised over the people; a sincere recognition of the human rights; a method of food distribution which will ensure that the Yugoslav people are taken into consideration and that the aid given is not monopolized by the Communist leaders, the all-powerful police, and the Yugoslav Army.

Second. Tito demands that unconditional aid be given to him by the United States. The Communist leader has stressed in his speeches that he will not sacrifice his principles to gain aid from the west. Will the alternative find the United States sacrificing her principles by aiding substantially a Communist police state and, by this aid, enable it to stay in power and continue its ruthless control and persecution of 16,000,000 Yugoslavs, a small percentage of whom favor the Tito regime, whose elections, amounting to a farce, follow the Communist pattern?

Third. Let the United States be fully aware that to aid a Communist state is to aid a potential enemy who is vowed by principle to rise up and destroy all non-Communist nations when the moment is opportune. Nowhere has Tito denounced communism. He has been expelled by Stalin from the family of communism. If Tito has rejected Stalin, he has not rejected a founder of communism but only its major prophet. The communism of Tito is the communism of Marx and Lenin, the sworn enemies of Christian civilization and the western way of life; let it not be forgotten that Tito and his henchmen have been trained a la Russe. There is no such thing as good communism as opposed to bad communism, just as there is no such

thing as good evil as opposed to bad evil. The national communism of Tito is founded on the doctrines of Marx and Lenin and kept in power by ruthless control and untold murders. Tito regards himself as the Communist par excellence. The national communism of Tito is dynamic and, being such, it must tend to spread and increase itself. This evil can increase itself only at the cost of a portion of Christian civilization.

Fourth. By giving Yugoslavia enough aid to make her independent of the east and the west even for 6 months, the United States is helping to keep in power a regime which is odious to 90 percent of the Yugoslav people. The Yugoslav people look to the United States as their only hope of salvation. The Yugoslav man on the street seeks something more than food; he seeks freedom from tyrants.

Fifth. Unconditioned substantial aid to Yugoslavia will be a great set-back to the cause of Christianity in this already persecuted country. The Yugoslav Communist regime will be ensconced in power. Will it not be sadly paradoxical to note that America, who depicts herself as the champion of international justice, and the ardent supporter of all those who would throw off tyranny will be largely instrumental, by its policy, in dealing a serious blow to the cause of Christianity in Yugoslavia and the cause of Christianity throughout the globe.

Sixth. It is well to point out that Tito as a loyal follower of communism is a devotee of Communist morality. A Yugoslav publication of 1950, quoting the words of Lenin, explains what is meant by Communist morality:

Morality is that which serves to destroy the old society of exploitation and the union of all the workers building a new Communist society.

In other words, any means taken to destroy Christian civilization is morally good for the Communist. This, then, is the morality professed and practiced by Tito. Tito, as a follower of this morality, shot down American planes, took American lives in 1946, just at a time when millions in aid were pouring into his country, thus evoking the harsh words of then Acting Secretary of State Dean Acheson:

These outrageous acts have been perpetrated by a government that professes to be a friendly nation.

There is no doubt that the Yugoslav nation is friendly to the United States, but the Tito regime has nothing but hatred for America. Who, then, shall be helped? The Yugoslav nation, by demanding concessions for the people? Or the Communist Government, who, because of their morality, can be counted on for nothing. To aid substantially the Yugoslav Communist regime without demanding concrete acts of good will on the part of the Government not only toward America but also toward its own people would be a drastic mistake. The word of a Communist amounts to nothing. They are masters of verbiage. Lenin himself said that words meant nothing for him; he was impressed only by action.

Seventh. Responsible leaders of the United States, Members of Congress, into whose hands has been placed the commonweal of so many millions, are faced with a serious decision. The question at stake: Whether Yugoslavia, a Communist police state, should be given unconditioned aid, or whether substantial aid should be withheld if the Yugoslav Government is not willing to give freedom to its people. Will the Communists be forced to sacrifice their principles or will America be deluded into violating hers.

America was founded on Christian principles; her founding fathers were men who believed that the Christian way of life must be the sturdy support of the country. As long as tyranny exists any place on the globe the American way of life is faced with a threat. For America to foster tyranny—and that is what unconditioned aid to Yugoslavia would mean—would set a precedent which would result in the utter despair of millions of people in Eastern Europe and Asia who see in America the immovable Statue of Liberty and the unquenchable light of freedom. The task of America is clear; the decision may not be easy. The Tito Communist regime is not only un-Christian, it is anti-Christian; it is not only amoral, it is immoral; it is not only undemocratic, it is antidemocratic; it is not only un-American, it is anti-American. To sacrifice Christian principles so as to preserve the Communist principles of Tito is to betray the sacred trust placed in the hands of American lawmakers by the Christian, God-fearing, liberty-loving, anticommunistic American people. If the policy of the United States is built on the insecure groundwork of expediency, then the Yugoslav question poses a problem. If, as it is hoped, American policy is built on the unshakable foundation of Christianity, then, with God's help, the decision taken regarding aid to the Yugoslav Communist regime should afford no anxiety to Christendom.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment do now close.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I object. I have an amendment to the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN to the amendment offered by Mr. HESLTON: After the word "commodities" insert "at Government cost."

Mr. RICHARDS. Mr. Chairman, we will accept the gentleman's amendment to the amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and the amendment thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. RIBICOFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIBICOFF: Page 2, after line 2, insert a new section as follows:

"Nothing in this act shall be interpreted as endorsing measures undertaken by the present government of Yugoslavia which suppress or destroy religious, political, and economic liberty; and the Yugoslav government shall be so notified when aid is furnished under this act."

Mr. RIBICOFF. Mr. Chairman, this amendment is being offered on behalf of the gentleman from Montana [Mr. MANSFIELD], the gentleman from New York [Mr. JAVITS], and myself.

I think it is time that we introduce a note of sanity into the present debate. Frankly, no bill that has come out of the Foreign Affairs Committee or before the House has been supported with as little enthusiasm as the measure before us today.

It is true that Tito is a Communist; Tito is a dictator. None of us approve Tito or what he stands for; neither do we condone nor do we approve the religious, civil, and political persecution that has taken place in Yugoslavia.

The purpose of this amendment is to point out to Yugoslavians the complete disapproval of their past conduct and what the American people think of this conduct.

But there is another matter which I think is important to bring to the attention of the House and something which was touched upon yesterday. It is so important for us to understand in the world today that we must be realistic.

Basically, the prime purpose of a nation's foreign policy, if it is to have any value, is to see to it that the nation itself survives and is strengthened. All of us understand the principles for which the United States of America stands, all of us believe in democracy and representative government and the great liberties that have made this country great. But no nation can achieve its ends in the world unless it also exercises power in the world, not power in the concept of naked aggression or indifference to the rights of other people, but power in itself for the purpose of achieving the ends for which that nation stands. A nation to exercise this power must be militarily strong, a nation to have this power must have allied with it other people. A nation such as America must make sure that those forces in this world that help strengthen the forces of the United States of America receive the assistance of this Nation. Keep in mind that the nation which travels alone travels on a road of tragedy. It is understood, and we must understand, that the main purpose of Russia's imperialism is to isolate the United States of America either in peace or at war, to place the United States of America in the position where 150,000,000 people must stand up against 2,150,000,000 other people in the world.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from South Carolina.

Mr. RICHARDS. May I say that I have no objection to the amendment, and I do not think any other member of the committee has any objection to his amendment.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. RIBICOFF. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I am in hearty accord with the objectives of the amendment, but I believe also that our State Department should go further, as was expressed in my speech made earlier in the afternoon.

Mr. RIBICOFF. That has been the contention of our committee. In executive session of our committee we have urged upon the representatives of the State Department who are in charge of Yugoslavian affairs to make definite and strong representations of our disapproval of the tactics of Yugoslavia which have been against religion and the clergy. We have urged upon them to mitigate the punishment and to free various Catholic priests and bishops, the various elements of the Orthodox faith, as well as the Protestant clergy who are in the prisons of Yugoslavia. We told them that they cannot expect to come back to the people of this Nation and ask for assistance as long as they disregard those ideals and principles which the people of America hold so dear to themselves and the western philosophy.

We sincerely hope that because of the representations of the State Department and this Congress you will find a gradual change in the philosophy of the Yugoslavian Government. American after American tells us now when he goes to Yugoslavia that the attitude of the people of Yugoslavia is completely different from what it has been in previous years. They are opening up their nation to American newspapermen and American visitors. We are told that the American is appreciated and respected. I hope that because of this amendment the ends sought by the gentleman from Ohio, and I am sure every other Member of this House, will be attained and bring about a good and lasting influence in Yugoslavia.

Mr. JAVITS. Mr. Chairman, I rise in support of the pending amendment.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. May I ask the gentleman from New York if this section is the Connally amendment in the Senate?

Mr. JAVITS. This section is the McMahon amendment in the Senate.

Mr. NICHOLSON. It says that "nothing in this act shall be interpreted as endorsing the measures undertaken by the present Government of Yugoslavia."

Mr. JAVITS. Yes.

Mr. NICHOLSON. That we cannot do this if they destroy the religious, political, or economic liberties that we enjoy?

Mr. JAVITS. What it says is that nothing in the relief which we are giving shall be deemed in any way as condoning or endorsing what Yugoslavia is doing in respect to religious freedom.

Mr. NICHOLSON. And we tell Yugoslavia that these conditions that we pass here today are on the premise that we are telling Yugoslavia what to do?

Mr. JAVITS. If the gentleman will let me continue for a minute I think I can make that clear. As the gentleman from Connecticut has said, this amendment is offered also on the part of the gentleman from Montana [Mr. MANSFIELD], and myself.

I rise to add one further word. When I spoke on this bill yesterday I said that it can only be taken as a measure of economic warfare. If we were taking it as other than a form of economic warfare we would have to attach far more conditions than even contained in the amendment offered by the gentleman from Pennsylvania [Mr. FULTON]. What we are doing now in treating this measure as one of economic warfare, is to give the United States Government an opportunity to make this aid to Yugoslavia as useful to us in our struggle against the Communists as possible, and to make it as harmful to the Kremlin as possible.

But, that does not mean that we should not serve notice on Tito and the Yugoslav people of the fact that this in no way represents any abandonment or weakening of our demands for justice in Yugoslavia already made and reiterated. That it is necessary that religious freedom be assured in Yugoslavia by releasing religious prisoners, such as Archbishop Stepinac and the nuns and priests, who have been incarcerated; that we further give notice that Yugoslavia still has not done anything nearly like it ought to do in regard to the return of the thousands of Greek children abducted by the Communists. I have protested this strongly in the House before. The House itself passed a resolution of protest with respect to this situation upon the motion of the gentleman from Ohio [Mrs. BOLTON] and myself, only a few short months ago. I think it is extremely necessary that we do this, and while this bill is economic warfare and therefore we are not imposing as set conditions these matters, we should serve notice that it is not our intention to forego one single issue that we have expressed as demanding rectification and just treatment in Yugoslavia. What we can do here, is put forward a medium that will ultimately get us the very things that we are demanding because we are getting directly into a country, and a situation in Yugoslavia which was heretofore closed to us behind the iron curtain, and for the first time we get a chance to do something to assure our getting results on the issues of religious freedom and imprisonment of Archbishop Stepinac and other priests, the return of the Greek children, the status of United States citizens in Yugoslavia and Yugoslav relations with Greece and Austria and in Trieste.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask if the State Department is going to tell Yugoslavia what is in this amendment.

Mr. JAVITS. The gentlemen will note that the amendment itself requires as part of this act, when we pass it, that the State Department do that very thing.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in this booklet here in my hand on Yugoslavia, which must all be true because I received it from the Ambassador of Yugoslavia, it says on the page dealing with the constitution: "Freedom of speech, religion, press, and assembly, is guaranteed."

In committee I offered an amendment which would require measures to carry out those guaranties provided in the Constitution, but it was voted down. Instead, we have this amendment before us which is a new low in timidity, or something. On religious persecution we do not say "stop it"; we do not say "We do not like it"; but we attempt a kind of thought control by telling people of another nation what thoughts they must have about our actions. We say to Tito and the people over there, "You must not interpret this as being what it looks like, an endorsement of persecution." I will go along with it, but I wish to point out what a craven way this is for the great Republic of the United States to stand up for the fundamental freedoms.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Could not this be called a flowers-and-candy amendment?

Mr. VORYS. Perhaps.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Is not this amendment a confession of inefficiency on our part?

Mr. VORYS. Well, you can call it what you want. I am going to vote for it. This is the nearest we can get to a mild hint, not a slap on the wrist, but a gentle touch on the shoulder, with reference to the persecution going on over there.

Mr. RICHARDS. Mr. Chairman, I ask unanimous consent that all debate on this section close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I am supporting this amendment. I would like to see stronger language used. Much as I dislike to give aid or even simulated approval to any kind of totalitarianism, I feel constrained to vote for this bill. It represents a calculated risk as part of an over-all plan for self-preservation.

During the past year or two we have been told and we have had presented to us some evidence indicating that Yugoslavia has shown a growing inclination to cooperate with the western democracies, and particularly with our own United States. We have traveled a long way since 1946 when the relations between our country and Yugoslavia were so strained that they were on the verge of a complete rupture of diplomatic relations between the two countries.

During these 4 years we have patiently made repeated efforts to convince the people of Yugoslavia that the people of the United States are their friends. We have done that in the hope of veering Yugoslavia away from the orbit of Communist Moscow, and I believe that we have attained a certain measure of success in that direction. With a little more patience and endurance we may achieve final success, so that in the not-too-distant future the people of Yugoslavia will be fully and finally aligned with the free nations of the world.

It is for this reason that I support today the effort to extend aid to Yugoslavia at a time when aid is most needed. A friend in need is a friend indeed, is the way the old saying goes. I fervently hope that the people of Yugoslavia will not forget this outstretched hand that is coming to them from the United States at a time when across their immediate borders they see the outstretched rifles and bayonets of Russia's Communist armies in Bulgaria, Hungary, and Rumania.

Nevertheless, Mr. Chairman, I feel that it should not be a one-way street of all give and no return. Although I dislike to make such aid conditional or to use pressure because of the bad feelings such pressure tactics will arouse, I think we ought to make several things clear to Tito and to the people of Yugoslavia. I have in mind specifically two things:

First, the question of religious freedom in Yugoslavia. What concerns me a great deal—and, I believe, it concerns all of us who are seriously interested in the freedom to worship the faith in which we believe and whose tenets we practice—is the fact that, up until this time, Tito has made no effort to extend to the people of Yugoslavia the right of religious freedom, the right to worship their God in accordance with the dictates of their conscience.

The outstanding example is the case of Archbishop Stepinac, who has been imprisoned now for more than 4 years on trumped-up charges. The Stepinac incident is a tragic commentary on our times, due, to a large extent, to the godlessness of our age. This particular instance can be ascribed directly to a regime which refuses to recognize the meaning of religious freedom and seeks to eradicate all traces thereof. In the modern dictatorships, whether of the left or of the right, oppression is practiced against all who are loyal to their faith—against Catholics, against Protestants, and against Jews. No man with religion in his heart is immune from this persecution. No man who openly espouses his faith is able to avert the wrath of the dictators.

Today, the leaders and the people of Yugoslavia find that they have been double-crossed by Moscow—as many other nations have discovered in recent years, and still more will discover in the future. They have turned to us anxiously seeking our friendship. Up to now their leaders have failed to learn the lesson of religious freedom.

Is it asking too much, when in our willingness to aid Yugoslavia we ask in return that its leaders extend to their own people a basic democratic concept—freedom from religious persecution?

The other question I wish to raise concerns human rights. When the declaration of human rights came up for a final vote in the General Assembly of the United Nations just 2 years ago in December 1948, it won the wholehearted approval of 48 member nations and 8 others abstained on that vote. Yugoslavia was one of the nations which abstained.

That was most regrettable. The declaration of human rights is recognized throughout most of the world as a goal toward which all nations must aspire. It is unique in human history because the rights it declares are applicable to all peoples everywhere on the face of the earth. Human rights are described as the substance of the "moral and intellectual solidarity of mankind." They are a necessary foundation of world peace and respect for justice, law, and order. Those rights belong to every individual, not because of race, nationality, or religion, but because he is a member of the human family.

I submit, Mr. Chairman, that the Government of Yugoslavia should at once declare its recognition and adherence to the declaration of human rights and to the principles enunciated in that historic document. Coming at this time, it would serve as a source of moral encouragement to the free nations of the world, it would enhance the prestige of Yugoslavia in the eyes of all freedom-loving peoples everywhere, and it would align Yugoslavia on the side of those forces who are fighting for human dignity and a decent approach to world-wide peace.

I believe that if we bring these matters to the attention of Yugoslavia's leaders in a forthright manner and in clear and unmistakable terms they will realize their true significance and their value for their own people, for us, and for the whole free world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. RIBICOFF].

The amendment was agreed to.

Mr. MANSFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD: On page 3, after line 2, insert a new section as follows:

"At the termination of each 3-month period after aid has been extended under this act the Secretary of State shall make a full and detailed report to the Congress. Said 3-month reports shall not be limited to but shall include (1) information as to whether or not Yugoslavia is abiding by the agreement as provided for under section 3 of this act; (2) information as to any developments in the attitude of Yugoslavia with respect to basic human rights."

Mr. MANSFIELD. Mr. Chairman, there is not much that needs to be said about this amendment. I am not the author of it. It is the second of the McMahon amendments which have already been adopted by the Senate. The first amendment, offered by my colleague, the gentleman from Connecticut [Mr. RIBICOFF] has already been approved by the House. I think this amendment gives us further safeguards in the consideration of this bill to the extent that the Congress must be furnished with a report every 3 months as to how the stipulations contained in this act are being carried out. I urge the House to give its approval to this amendment so that we may have a better and more frequent check on the administration of and the application of this measure.

Mr. TAURIELLO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been sitting here the past 2 days listening to the debate on this very important legislation and trying to get all the information necessary from the different Members of this House who have spoken in favor of or against the legislation. There have been some grave doubts in my mind as to whether or not I would support legislation of this kind, and whether it would be a grant or whether it would be a loan to Yugoslavia. I debated back and forth not knowing what course to follow. I finally took it upon myself to wire two men who I think are not only responsible in a particular city, but are looked upon as leaders in religious and civic affairs throughout the Nation. I asked them for their reaction to this type of legislation.

Much has been said about religious freedom in Yugoslavia, and that is one of the biggest questions that has been bothering me as far as this legislation is concerned.

I think it is only fair that the Members of this House should know what these two leaders of the Catholic Church said in answering my wire. One of them is the bishop of Buffalo, the Most Reverend Bishop John F. O'Hara, former president of Notre Dame University. The other is the auxiliary bishop, the Most Reverend Joseph Burke, of Buffalo. The telegrams are as follows:

BUFFALO, N. Y., December 12, 1950.
Congressman TAURIELLO,
Washington, D. C.:

On proposed aid to Yugoslavia I hope Congress will be guided by the law of charity. We don't want people to starve anywhere. We should give American supervision with our aid to make sure it will not be used to feed only Communists while anti-Communists starve. We should press our claim for the release from prison or from work camps of bishops, priests, and nuns whose only offense is recognizing God as the source of human rights as our forefathers did in the Declaration of Independence. We should also investigate the possibility of aiding with the rice crop from Formosa those parts of China that are now said to be suffering famine as a punishment for opposing communism.

Bishop JOHN F. O'HARA,
Bishop of Buffalo.

BUFFALO, N. Y., December 13, 1950.
Hon. A. TAURIELLO,
House of Representatives,
Washington, D. C.:

Favor grant to Yugoslavia under following conditions: If needed to avert famine but not for stockpiling; if distribution of grant is made under strict American supervision to insure no discrimination because of religious beliefs; if Tito will manifest spirit of American justice and humanitarianism by freeing political prisoners, especially Archbishop Stepinac.

Bishop BURKE of Buffalo.

I think this legislation specifically states this aid will only be given under the strictest kind of supervision by men sent there from this country.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. TAURIELLO. I yield.

Mr. CANFIELD. Does the gentleman now addressing the House think this legislation contains the guarantees that the bishops ask for in their telegrams which he has just read?

Mr. TAURIELLO. I think it does in spirit. I think if this grant or loan is made this Government will follow that spirit.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. TAURIELLO. I yield.

Mr. FULTON. Did the gentleman vote for my amendment which put in those seven conditions which were in line with what the bishops had asked for?

Mr. TAURIELLO. Yes, I did; I supported the gentleman's amendment. I want to remind the gentleman from Pennsylvania I asked for a teller vote on his amendment and supported it.

Mr. Chairman, I believe the contents of these two telegrams I received from these eminent churchmen should help a great number of the Members of the committee to decide how they will vote on this important legislation.

As for myself, I hate communism and the very word, especially since I had the opportunity to visit Poland and Czechoslovakia last year with a select committee of Members of this House. I saw communism in operation there.

In supporting this legislation I am thinking in terms of what is best for the United States and what we can do to weaken the position of Russia. If we can pull nations away from Russia and to our side, then certainly we are doing what is best for the United States of America. We must take the lesser of two evils, and for all of these reasons I will support this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. MANSFIELD].

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. All or any portion of the funds made available under authority of this act may be transferred by the President to any department or agency of the executive branch of the Government to be expended for the purpose of this act. Funds so transferred may be expended under the authority of any provisions of law, not inconsistent with this act, applicable to the departments or agencies concerned, except that funds so transferred shall not be commingled with other funds of such departments or agencies and shall be accounted for separately.

SEC. 5. Local currency made available to the United States by Yugoslavia under the provisions of the agreement required by section 3 may be used for local currency administrative and operating expenses in Yugoslavia in connection with assistance provided by this act without charge against appropriated funds.

Mr. BONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONNER:

On page 3, line 18, strike out the figure "5" and insert in lieu thereof the figure "6."

On page 3, after line 18, insert a new section reading as follows:

"Sec. 5. At least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this act and transported on ocean vessels (computed separately for dry-bulk carriers and dry-cargo liners) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels."

On page 3, line 19, strike out the figure "6" and insert in lieu thereof the figure "7."

Mr. VORYS. Mr. Chairman, I make the point of order that we have passed the section which the gentleman is attempting to amend.

Mr. BONNER. The gentleman is mistaken. The Clerk just finished reading section 5.

Mr. VORYS. I may be corrected by the chairman, but I understood the Clerk had passed that section.

The CHAIRMAN. The amendment may be inserted after section 5. Does the gentleman desire to insert the amendment after section 5?

Mr. BONNER. Mr. Chairman, I ask unanimous consent, then, to return to the end of section 4.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. VORYS. Mr. Chairman, reserving the right to object, I realize the futility of this, but because the gentleman from West Virginia, Judge KEE, and I have always opposed this attempt to make relief measures for foreigners into relief measures for the merchant marine, I am constrained to object. I will not aid in any way in getting this into this bill.

Mr. BONNER. Mr. Chairman, I offer the amendment as a new section after section 5, with the necessary changes.

The Clerk read as follows:

Amendment offered by Mr. BONNER: Page 3, after line 18, insert the following new section:

"At least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this act and transported on ocean vessels computed separately for dry-bulk carriers and dry cargo liners shall be transported on United States-flag commercial vessels at market rates for United States flag commercial vessels."

Mr. RICHARDS. Mr. Chairman, I am willing to accept the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: Page 3, line 18, add a new subsection as follows:

"When the Government of Yugoslavia sells such relief supplies for local currency, (a) the amounts of such local currency shall be deposited by it in a special account; (b) such funds shall be used within such country with the approval of a duly authorized representative of the United States for relief and work-relief purposes."

Mr. FULTON. Mr. Chairman, I will explain this amendment shortly, and will not take the full time. This is what is known as the counterpart amendment. It is the provision that allows you to again use that money for relief purposes that the Yugoslav Government may collect for selling this produce in Yugoslavia. For example, this amendment requires when the Yugoslav Government sells this produce in Yugoslavia and collects local Yugoslavia currency, then that currency collected shall be put into a joint account, subject to the joint control of the Yugoslav Government and the United States representative, so that we shall then use it again for relief, and work-relief purposes.

If this amendment is not adopted, you are putting into the hands of the Yugoslav Government this money that it collects when it sells the produce in Yugoslavia, and that Government then uses it for any purpose it wants to. If you really want to use this money for further relief, and make the Yugoslav Government do likewise, on any proceeds it gets from the sale of this food in Yugoslavia, you should vote for this amendment and Yugoslavia will be able to use it subject to United States control. You will recall that under Public Law 84, which is the law that provided funds and relief for countries devastated by the war, we used just this sort of provision.

In addition to that, we used this provision for counterpart funds under ECA. It is our regular practice and the gentleman from Ohio [Mr. VORYS] will tell you it has been the practice. He and I believe, and many Democratic members of the Foreign Affairs Committee have likewise insisted that the money collected within those recipient countries on the sale of the produce provided, is used for the right purposes and not just thrown into the general support of a dictatorship government. This is a protection and a benefit to the good people of Yugoslavia.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. VORYS. Is not the gentleman's amendment closely patterned after the Fulbright amendment which was unanimously adopted in the Senate Foreign Affairs Committee and is now in the Senate bill?

Mr. FULTON. That is correct; it is along the same lines.

Mr. VORYS. It is not exactly the same, but similar in purpose.

Mr. FULTON. The only difference between this and the Fulbright amendment is that this is the form that the Congress has used consistently, and is the legislative language used for that purpose, while the Fulbright amendment

is in new language and not tested by experience.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

Mr. RICHARDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is one amendment that I am not going to agree to. It is the old counterpart proposition. It is, in fact, a part of the same proposition that was voted down awhile ago in the Vorys amendment. It envisions a long-range program just like UNRRA was, like ECA was and still is. If you want to make a long-range program out of this and set up counterpart funds, and imply to Yugoslavia that we are going to keep this up in years to come, go ahead and pass this amendment. Otherwise, vote it down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 18, noes 69.

So the amendment was rejected.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, so far as I know there are no other amendments pending.

There have been questions about the motion to recommit. I shall offer the motion to recommit and shall be able to qualify to offer it without qualification. I am opposed to this bill in the form in which it now is.

The motion to recommit will provide for a loan rather than for grants and will be in substantially the language of the Case substitute which was considered earlier in the day. There are slight changes, but the motion to recommit will provide for a loan such as we made to Spain, using practically the language out of the Spanish-loan provision.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. CASE of South Dakota. It does not change the provision that is now in the bill that the money comes out of the presently appropriated ECA funds?

Mr. VORYS. No; that provision has been adopted. My motion does not change the McCarran or Bureson amendment which is, of course, in the bill. The money will come out of ECA funds. But if the motion to recommit is adopted the assistance will be in the form of a loan.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, during the 2 days of debate on this measure to give additional millions of dollars of aid to Yugoslavia not a single member of the Foreign Affairs Committee or a single Member of this House has been able to cite a single assurance, much less a guaranty, that Dictator Tito will give definite and specific aid to the United States in time of need.

Virtually every speaker in behalf of this measure has prefaced his or her remarks with an apology and an attempted disclaimer for supporting Tito, an avowed Communist, and the head of a government as dictatorial, ruthless, and brutal as there is in existence on this earth today.

The specious argument is made that somehow we can bribe or buy the friendship of this dictator; that this is another of those calculated risks upon which we must spend millions of dollars of the taxpayers' money.

This Republic was not built and it will not endure on the basis of bribed or purchased friendship. There is no such thing.

And I am one of those who are becoming nauseated by the use of this phrase, calculated risk. It is used whenever there is no adequate explanation for an action that is being taken. In the name of all that is fair and decent, how many more billions of dollars and how much more evil is to be committed in the name of calculated risk?

There are those who have attempted to say there is a food shortage emergency in Yugoslavia. The gentleman from Georgia [Mr. DAVIS] answered that argument in a well-documented statement earlier this afternoon. He offered facts and figures to show you that production of most of the major crops in Yugoslavia is from 70 to 100 percent of normal.

There are those supporting this measure who contend that Dictator Tito has "broken" with another dictator by the name of "Dear Old Joe" Stalin. Where is there any convincing evidence that there is more than a propaganda cleavage between these two? There is not a shred of evidence of a genuine rupture between Moscow and Belgrade.

Is there the slightest reason to believe that if real hatred existed between Tito and Stalin that the Yugoslav dictator would not have been put out of the way long ago? Have we forgotten the assassination of Trotsky in Mexico after he broke with Stalin? Have we forgotten that Masaryk, the Czechoslovakian patriot, died in a fall from a window after he publicly announced he would not betray his people and his country by cravenly becoming a puppet in the hands of the Communist regime in his native country?

Are we gullible enough to believe that Stalin and his hirelings could not arrange the exit of Tito and then, perhaps, hang his assassins and place him in the position of a martyr?

I say to you that I am wholly unconvinced that there has been a complete break between Tito and Stalin.

This bill represents another foreign fraud that is being perpetrated upon the American people by an administration that is steadily bringing this Republic to the brink of destruction.

I refuse to be a party to the support of human slavery in Yugoslavia and I refuse to support the Truman administration in its sordid deals and moral sell-outs to such international crooks as Tito.

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have had 2 days of debate on this very important measure. I think I should be the last person in the world to criticize the motives of anyone who differs with me on this matter, but I do want to give voice to one or two thoughts that are uppermost in my mind before this debate is finally closed. I think just as you do—that we are in a very deplorable condition as far as the world situation is concerned. I should not be presumptuous enough to undertake to say that I know the answers, but there are certain things that I do know in my own common sense and common judgment. Mistakes have been made. Some of you think it would be a mistake if we were to go through with this recommendation, but I call your attention to the fact that it would have been far better from our point of view if this matter had never been debated before the Congress than for it to be debated and then relief denied. I hold no brief for Tito any more than I hold a brief for Stalin. I hope I will not be too intemperate in my language when I say that I differ with some Members who talk about Tito as a Communist. I think Tito is the same type of Communist that Stalin is. They are both ruthless dictators; they are both political adventurers; they are both looking after themselves and using communism as a front to gain their own end.

Now, what are we up against here? We are up against the proposition of whether we are going to make a grant or a loan. It does not make any difference, for that matter, which it is, and I do not agree with the gentleman from Ohio on that. If we are going to do this, let us do it graciously and get everything we can out of it. You know as well as I know that you cannot satisfy yourself or your conscience, politically or otherwise, with the thought that you are going to make this a loan rather than a grant. You are not going to get it paid back, just like you are not going to get back these other millions.

I want to be very realistic about this thing, and I hope I may have the attention of these gentlemen over here for whatever my view may be worth. As I pointed out yesterday, this is a gamble, yes, but it is such a small gamble. There are many people who believe that Tito is on our side. There are some who believe he is not on our side. To the best of our knowledge and information to far he is not going along with the Kremlin.

We have an opportunity here. Somebody said we have already given them three or four hundred million dollars. For the comparatively small sum of \$38,000,000, as I pointed out, the cost of a dozen modern bombers or the cost of 5 hours of World War II, we have an opportunity to hold what we have over there and to try to keep him on our side. I rather pride myself that my committee was among the first to advocate a firm policy of dealing with Stalin and I pointed out what we were up against 5½ years ago.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Chairman, I took this floor during World War II and defended assistance to Stalin and to Russia in that crisis. I would do it again because we are up against a realistic proposition, now faced with a Communist world headed by Stalin, as we were faced then with a Fascist world headed by Hitler. Let us not get into any religious or any political or any other kind of motives about this problem. For if we lose out to Stalin, there will be no religion permitted here and there will be only one party here—the Communist party. It is purely a selfish proposition and, in my humble judgment the gamble is worth the taking. We are gambling with a comparatively small stake for the assistance of 32 Yugoslav divisions on our side against our and other free peoples' No. 1 enemy.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as the gentleman from Mississippi [Mr. COLMER] has so well stated, we are indeed in a deplorable condition so far as the world situation is concerned. The problem is how to deal with it so that we can save our country and freedom and Christian decency in the world. We can perhaps gain some help on how to decide the tough question of whether or not to aid the Yugoslavs and thereby aid their oppressor, Tito, by studying how we got where we are. I think the one miscalculation above all others which is responsible for the trouble we are in was this sort of faulty reasoning with regard to another Communist dictatorship, the Kremlin. The pseudo-syllogism went like this: We are fighting Hitler; we are a democracy. The Soviet Union is fighting Hitler; therefore, it is a democracy. That was the erroneous conclusion on which our Government based its whole postwar foreign policy. That is why we are in such peril.

I agree with the gentleman from Mississippi that it was proper for us to aid Stalin during the war. I do not have a single regret about the \$11,000,000,000 lend-lease we gave to Soviet Russia as a war policy. It saved thousands of American lives. But it was a mistake to put our chips on Russian cooperation and friendship as a peace policy.

During the war we had two enemies in Europe. The first was Hitler, the second was the Kremlin. It was right to help the second enemy overcome the first. It was wrong to believe that because the Soviets were also fighting Hitler, they were therefore a peace-loving democracy and wanted the kind of world we want, and would cooperate with us to build that kind of a world.

Now we are in a situation where our first enemy is the Kremlin's conspiracy to conquer the world. The enemy is not communism as an economic theory or system, or communism in Yugoslavia. It is the world-wide armed Communist conspiracy dedicated to conquest of every

free people and with ourselves as its main target, because we are all that stands between it and victory. It merely uses communism as a weapon to confuse, mislead, and soften other peoples up preparatory to hitting them with armed violence from within as from without. Since our first enemy is the conspiracy directed from the Kremlin, our first concern must be to weaken that conspiracy. Surely no one believes that Tito is a friend of the kind of world we want any more than Stalin ever was. But Tito is not a threat to our security and Stalin's power is. Tito is not on our side but he is not on the side of our No. 1 enemy either.

Whatever weakens the conspiracy that threatens the survival of the United States helps us. To keep Yugoslavia independent weakens that conspiracy, therefore it is in our interest, in my judgment, to help him keep independent of and hostile to that conspiracy, thereby depriving it of Yugoslavia's potential strength and strategic location, and forcing Stalin to tie down part of forces in that area.

It is not a question trying to gain the favor of Tito or of making a friend out of him, as some have suggested. It is a question of making as much trouble as we can for our No. 1 enemy, Stalin's gang, and thereby reducing their threat to ourselves.

The question is not whether Tito deserves our aid. Of course he does not deserve our aid. The question is whether American boys deserve the better chance to survive, which keeping Tito in the right against Stalin may give them. In this bill we are not trying to buy a friend; that cannot be done. We are trying to make as much trouble as possible for our enemy in order to keep the main threat to our world as divided and weakened as possible. It is solely on the basis of this hard-headed concern for our own youth and our own country that I feel we ought to help keep independent a force, which no matter how undemocratic, is weakening Stalin's conspiracy which unless frustrated can lead to our own destruction. On this basis I believe the bill should be passed.

The Clerk read as follows:

SEC. 6. All or any part of the assistance provided hereunder shall be promptly terminated by the President—

(a) whenever he determines that (1) Yugoslavia is not complying fully with the undertakings in the agreement entered into under section 3 of this act, or is diverting from the purpose of this act assistance provided hereunder; or (2) because of changed conditions continuance of assistance is unnecessary or undesirable, or no longer consistent with the national interest or the foreign policy of the United States;

(b) whenever the Congress, by concurrent resolution of both Houses, finds termination is desirable.

Termination of assistance to Yugoslavia under this section shall include the termination of deliveries of all supplies scheduled under this act and not yet delivered.

With the following committee amendment:

Page 4, line 6, strike out "of both Houses."

The committee amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no Member appreciates more than I do the thoughts that are running through the minds of each and every Member of the House. No matter how any Member may vote, I want them to know that I thoroughly respect the fine motives which prompt them to vote in accordance with their judgment. For 15 years I have vigorously fought communism in and out of the House of Representatives as well as prior to that, and I have a long line of speeches on other occasions testifying to that fact. The Foreign Agent Registration Act is the McCormack Act. The provisions of the Smith bill, under which the 11 Communists were indicted and convicted in New York, were first recommended by a special committee of which I was chairman. I said as long as 3 years ago that Russia was using communism, and the ideology of communism, as a smoke screen for imperialism taking over country after country, then following it up militarily, and ultimately aimed at the United States of America. I have condemned Tito, and I condemn him now.

At this time and in connection with this bill, I am thinking of the United States of America. That is my first interest. During World War II we were dealing with one devil, we were crossing the bridge with one devil, as my friend from Minnesota in other language well said a few minutes ago. We had to help one devil to lick the other devil. If we did not lick the first devil first we would not be seated here today facing the second devil, so to speak, not only descriptively but in expressing my thoughts in relation to Stalin.

Looking at it from the angle of the United States of America and our own national interest, the question is what should we do, not as a policy, not as a principle, but as a matter of expediency.

You and I and this generation of Americans are faced with one of the most trying periods not only in our constitutional history but in the known history of time. We are the guardians of the future. Whether we like it or not, and I wish it were otherwise, we are the guardians of the future, because what we do in these days will determine what the future will be not only for the world, maybe, but at least for the United States of America.

As an American I want to see my country strong as quickly as possible. I have repeatedly said on this floor and off this floor that there is one thing that Stalin and his gang respect, and that is what they fear. The only thing they fear is power greater than themselves. We have the potential power, and we had better develop it just as quickly as we can, not only for a future decent world but for our first job, the best interests of the United States. You and I of these days are and must make our contribution toward preserving the Union which we inherited and passing it on to future generations for their benefit.

As I view this situation, there are two aspects of it. There is the national interest of the United States, based upon expediency. I have publicly stated the only justification we have to deal with

Tito is on the ground of expediency in the national interest of the United States, not "expediency" alone, but "expediency" in the national interest of the United States." The question is now whether or not this bill, as amended, is expedient in the national interest of our country.

The second reason is human charity, to which the bishops referred in their telegrams read by the gentleman from New York [Mr. TAURIELLO]. If millions of human beings were starving in China, even people subject to Mao, and there was a bill before this body to try to bring them relief from suffering, it would have to be a cold heart that would say "no," provided there were proper supervision by the American Government. I would agree that to give relief to be administered by a Communist leader would be a mistake, but if there were proper supervision by our Government, as a result of which we would be able to supervise the relief given the human beings, I think it would be a mighty good thing to do, and it would be in accordance with those principles that God himself has given to us, faith, hope, and charity, the greatest of which is charity.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. In Yugoslavia at least 95 percent of the people believe in God, just as you and I and the other Members of this body do. Their only misfortune is that they were born over there and not here. If I were able to read the minds of the two bishops on the question of charity, I am strongly inclined to think that they had that very important message from Christ Himself running through their minds, that the greatest gift of all is the gift of charity.

Looking at it in the light of our own national interest, what follows? We have supervision. It is provided in the bill. It says, "to observe and supervise without restriction the distribution by Yugoslavia of commodities and other assistance made available under the authority of this act." Our policy of containment is over. We know that. This is a rapidly changing world. We have to adjust ourselves and think in the light of the practicalities and realities. Unfortunately we have to think in the light of expediency, too. That is the situation which confronts us.

Whatever policy of containment we had is over; that was scrapped in China, and crystallized in Korea. We have to make ourselves strong, and then still try to penetrate behind the iron curtain. Suppose Tito was tied up with Stalin. Assume that Stalin and Tito were embracing one another, and we are trying to get behind the iron curtain. We would spend much more than \$33,000,000 if we could do anything in Yugoslavia to weaken those who dominate and control. It is not a question of what we like. We

want the people of Yugoslavia to have their own form of government, freely selected. But they are not in the position to do that. I will agree that at least 90 percent of them are against Tito from the information I have received. But as between Stalin and Tito I think Tito represents to them the lesser of two evils. In the light of that situation, having in mind our own expediency in the national interest of the United States, what is the proper thing for us to do? It seems to me, with the world situation as it exists today, with the opportunity of our Government through its officials to go in there with that penetration, a great deal of good can come. If it is actual supervision as it should be, and I hope the Committee on Foreign Affairs, if this bill becomes law, will follow it up and see that it is actual supervision, a tremendous amount of good can come to us and to the national interests of our country and a tremendous amount of good can flow from it, from a world-wide angle.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SIMPSON of Pennsylvania. How does he justify the encouragement and continuance of communism any place in the world?

Mr. McCORMACK. There is no justification of communism. This is not a justification. My position is not a justification of communism. I am surprised the gentleman should ask that question. He ought to know that.

Mr. SIMPSON of Pennsylvania. Does the gentleman think this bill will strengthen communism in Yugoslavia?

Mr. McCORMACK. This bill, as I see it, will help prevent Stalin from taking over Yugoslavia.

Mr. SIMPSON of Pennsylvania. Will it strengthen the continuance of communism in Yugoslavia?

Mr. McCORMACK. Let me ask you: What about the national interests of the United States?

Mr. SIMPSON of Pennsylvania. I have asked the gentleman a question.

Mr. McCORMACK. Yes, and I have answered the question in the course of my remarks.

Mr. SIMPSON of Pennsylvania. Will the gentleman agree that this will strengthen communism in Yugoslavia?

Mr. McCORMACK. In my opinion, it will undermine it with American officials going over there and supervising and going in there freely, together with all of the amendments which have been adopted. I am confident it will tend to swing the leaders of that country more and more toward the Western World, and if not it will enable us to penetrate into Yugoslavia, and it is in the best interests of the United States of America and from the broad angle based upon expediency the passage of this bill is to the best interests of our country.

Every one of us are in complete agreement about the viciousness of the religious and civil persecutions that have gone on in Yugoslavia. Every one of us expects and shall demand that any relief given under this bill, if it passes, shall be given to all persons without regard to their religious or political con-

victions, and there shall be no discrimination in particular against non-Communists. Tito and his government will and should be watched very closely. I might say that, if he needs aid in the future, the granting of it by our Government will depend upon what Tito does during the next several months. A continuance of his persecutions will not be tolerated by us. He should release at once Archbishop Stepinac and the other Catholic priests, as well as the archbishop of the Greek Orthodox Church and the priests of his church who have been imprisoned, as well as the nuns, and permit religious freedom to again exist in Yugoslavia. He should also stop the collectivization of the farm lands of his country. He will have to do this from our angle; he should do it from his own angle. He ought to know now that Stalin will not deal with him; that Stalin will liquidate him if he can. He should realize that his future best interests lie with the Western World, and he should, and, so far as we are concerned, must make internal adjustments in Yugoslavia accordingly.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, committee work prevented me yesterday from listening to the debate. It was my privilege, however, this morning to read the record of the debate that took place yesterday.

As I understand that debate, the argument that was made by those who advocated the adoption of this bill—and every one of the speakers, if I read correctly, apologized for supporting it—was that there are two "vicious," "murdering," "communistic" crooks in Europe—neither friendly to us—but we should hire one of them to fight and weaken the other, hoping both will eventually be destroyed.

The gentleman from Minnesota, Dr. Judd, who made as logical and convincing an argument as I think can be made in support of this bill, followed that same line as did the remarks of the gentleman from Massachusetts [Mr. McCORMACK].

In theory, that argument may be sound, but practically it does not work out that way. We "hired" Stalin to fight Hitler, but we overaid him, and now he threatens our national security.

We have no assurance that Stalin and Tito will not come to terms; that both, being Communists, will not eventually turn on us.

The gentleman from Minnesota, Dr. Judd, said that our first consideration should be for the youth of our land, the security of the Nation. The gentleman from Massachusetts [Mr. McCORMACK] said that our consideration—and I assume that he meant the same thing as the gentleman from Minnesota, Dr. Judd—was for the future welfare of our Nation. Both were right. No thoughtful man can even consider any other objective.

We have spent billions upon billions of dollars in other countries in an effort to purchase friendship and military aid should there come a time of need. It is now apparent that, while the expenditure of those billions may have accomplished something, England has, even though it injured us, strengthened our enemies, continued to trade with Russia and China, made it easier for the Communists to kill our men.

There is neither in the United Nations nor in those nations which have subscribed to the Atlantic Pact, one single nation which will go all out for the United States of America. After all the sacrifices we have made—after thousands of our men have died in Korea—England, to save Hong Kong, would desert us in Asia, take into the UN an avowed enemy.

If we continue to follow the foreign policy which we have had for the last 10 years, is it not true that we will not only find ourselves committed to fight in world war III, but that we will be forced to carry the burden of that war; and if during that war our interests come in conflict with those of France or Britain, will they not desert us and leave us to stand alone?

If that be true, and that seems to be the opinion of our people, then is not the first question for us this: What prospect have we of winning world war III; of successfully waging that war not only all through Asia, but of going up into Russia, attempting to conquer Russia? Is it not enough that our wounded men have frozen and, because of the cold, died, in Korea? Must others be sent to follow that long, long trail into and through Siberia? Perhaps to lie unburied along the route followed by Napoleon's armies?

Shall our young men beat out their lives against the unsurmountable barriers of cold and hunger which have destroyed every army which ever went north into Russia?

Can we, if we stand alone—and mark well my words, we will, before the end is reached, stand alone—win world war III without destroying the Republic? That is the practical question. Can we win? If we win will we be a free nation? A nation of free people? To my mind it is a question that should be answered before we commit ourselves to follow along with this foreign policy which has given us this disaster in Korea; taken the lives of thousands of our men. A foreign policy which is calling, as the armed services called this morning, for 80,000 young men in January and another 80,000 in February, and which, comes the end, will take every physically and mentally qualified young man, except those required for production, into the armed services.

Is it not time that we count our young men, count our resources, and determine whether or not we should now go on into world war III and fight it, perhaps alone. Determine today, before we go further, whether we can in Asia and in Russia win a world-wide war?

Is it not about time, as the gentleman from Minnesota, Dr. Judd, said, that we think about our youth; and, as the gen-

tleman from Massachusetts [Mr. Mc-CORMACK] said, that we think about the security of the Republic?

Is it not about time that we consolidated our battle lines, and here in the Americas—take in South America, if you wish—build a defense which will prove to be effective against any nation or any combination of nations?

Is it not our duty to first think of, to first protect, the welfare of the United States of America? To think first of the Republic, its security?

I cannot go along with a policy which will involve us in a war which I do not believe we can win. I cannot go along with a war which will destroy the freedom of our people. A war which will leave us weak and exhausted, easy prey for a dictator. Let us get out of Korea, out of Asia, and, unless England, France, and Western Europe, not only profess to be willing to carry the brunt of the war but give concrete evidence of doing so, I would get out of Europe.

The welfare of my people, the security of the Republic, always has been, is now and always will be, my first concern. I owe allegiance to no other people, to no other nation—no, not even to that heterogeneous collection—United Nations—self-satisfied, ambitious world politicians, who, like leeches, have attached themselves to our Nation and, by forcing our people's sons, brothers, husbands, and fathers into this war, are sucking the lifeblood from our Republic.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McSWEENEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9853) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing emergency relief assistance to Yugoslavia, pursuant to House Resolution 878, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. VORYS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. VORYS. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. VORYS moves to recommit H. R. 9853 to the Committee on Foreign Affairs with instructions to report it back forthwith with the following amendments:

"After section 2 insert a new section 3 as follows:

"Sec. 3. Such assistance shall be extended on credit terms as provided in section III C2 of the Economic Cooperation Act of 1948

as amended, subject to the provisions of this act."

"Remember the following sections."

Mr. RICHARDS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 76, noes 173.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BURDICK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 225, nays 142, not voting 62, as follows:

[Roll No. 295]

YEAS—225

Abbutt	Fugate	Mills
Abernethy	Gamble	Mitchell
Addonizo	Garmatz	Monrone
Allen, Calif.	Gary	Morgan
Allen, La.	Gathings	Morrison
Andrews	Gordon	Morton
Angell	Gore	Moulder
Aspinall	Gossett	Murphy
Bailey	Granahan	Murdock
Barrett, Pa.	Granger	Murray, Tenn.
Bates, Ky.	Grant	Noland
Battle	Gregory	Norblad
Beall	Gull	Norton
Beckworth	Hagen	Norblad
Bennett, Fla.	Hale	O'Hara, Ill.
Bentsen	Hall	O'Neill
Biatnik	Leonard W.	O'Sullivan
Boggs, La.	Hardy	Pace
Bolling	Harrison	Pasman
Bolton, Ohio	Havener	Patman
Bonner	Hays, Ark.	Patterson
Boykin	Hedrick	Perkins
Breen	Heller	Peterson
Brooks	Herlong	Phillips, Tenn.
Brown, Ga.	Heselton	Poik
Bryson	Hobbs	Preston
Buchanan	Holfield	Price
Buckley, N. Y.	Holmes	Priest
Burke	Hope	Rabaut
Burleson	Howell	Rains
Burnside	Huber	Ramsay
Burton	Jackson, Wash.	Redden
Byrne, N. Y.	Javits	Regan
Camp	Johnson	Rhodes
Cannon	Jones, Mo.	Ribicoff
Carnahan	Jones,	Richards
Carroll	Hamilton C.	Riehlman
Case, N. J.	Jones,	Rivers
Case, S. Dak.	Woodrow W.	Rodino
Celler	Judd	Roosevelt
Chelf	Karst	Sadlak
Christopher	Karsten	Sadowski
Chudoff	Kean	Sasscer
Cole, Kans.	Kearney	Scott, Hardie
Colmer	Keating	Scott,
Cooley	Kelly, N. Y.	Hugh D., Jr.
Cooper	Keough	Shelley
Corbett	Kilday	Sikes
Coudert	King	Sims
Davenport	Kirwan	Smathers
Davies, N. Y.	Klein	Smith, Va.
Davis, Tenn.	Lane	Spence
Dawson	Linehan	Staggers
Deane	Lucas	Steed
DeGraffenried	Lyle	Stigler
Denton	Lynch	Stockman
Dollinger	McCormack	Sullivan
Dolliver	McKinnon	Tauriello
Donohue	McMillan, S. C.	Taylor
Douglas	McSweeney	Thomas
Doyle	Mack, Ill.	Thompson
Durham	Mack, Wash.	Thornberry
Eberharter	Madden	Trimble
Elliott	Magee	Underwood
Engle, Calif.	Mahon	Vinson
Evins	Mansfield	Wadsworth
Feighan	Marsalis	Wagner
Fernandez	Marshall	Walsh
Fisher	Martin, Mass.	Walter
Flood	Merrow	Welch
Forand	Michener	Whittington
Ford	Miles	Wickersham
Frazier	Miller, Calif.	Wier

Wigglesworth
Willis
Wilson, Okla.
Wilson, Tex.

Wolverton
Woodhouse
Woodruff
Yates

Young
Zablocki

NAYS—142

Albert	Goodwin	Nicholson
Allen, Ill.	Graham	Norrell
Andersen,	Green	O'Brien, Mich.
H. Carl	Gross	O'Hara, Minn.
Anderson, Calif.	Gwinn	O'Konski
Andresen,	Hall	Patten
August H.	Edwin Arthur	Philbin
Arends	Halleck	Phillips, Calif.
Auchincloss	Hand	Pickett
Barden	Harden	Potter
Baring	Harris	Poulson
Barrett, Wyo.	Harvey	Quinn
Bates, Mass.	Hays, Ohio	Rankin
Bennett, Mich.	Heffernan	Reed, Ill.
Bishop	Hill	Reed, N. Y.
Blackney	Hinshaw	Rees
Boggs, Del.	Hoeven	Robeson
Bolton, Md.	Hoffman, Ill.	Rogers, Fla.
Bosone	Hoffman, Mich.	Rogers, Mass.
Brown, Ohio	Horan	Rooney
Burdick	Hull	St. George
Byrnes, Wis.	Jackson, Calif.	Sanborn
Canfield	James	Saylor
Carlyle	Jenison	Secrest
Chiperfield	Jenkins	Shafer
Clemente	Jensen	Short
Clevenger	Jonas	Simpson, Ill.
Cotton	Kearns	Simpson, Pa.
Cox	Kelley, Pa.	Smith, Kans.
Crawford	Kilburn	Smith, Wis.
Cunningham	Kunkel	Stefan
Curtis	Lanham	Sutton
Dague	Latham	Taber
Davis, Ga.	LeCompte	Tackett
Davis, Wis.	LeFevre	Towe
Delaney	Lind	Velde
D'Ewart	Lovre	Vorys
Dondero	McConnell	Vursell
Doughton	McCulloch	Weichel
Ellsworth	McDonough	Wheeler
Elston	McGregor	White, Calif.
Fallon	McGuire	White, Idaho
Fellows	Marcantonio	Williams
Fenton	Martin, Iowa	Wilson, Ind.
Fulton	Mason	Winstead
Furcolo	Miller, Nebr.	Withrow
George	Morris	Wolcott
Gilmer	Murray, Wis.	
Golden	Nelson	

NOT VOTING—62

Biemiller	Jacobs	Poage
Bramblett	Jennings	Powell
Brehm	Jones, Ala.	Rich
Buckley, Ill.	Kee	Sabath
Cavalcante	Keefe	Scrivner
Chatham	Kennedy	Scudder
Chesney	Kerr	Sheppard
Cole, N. Y.	Kruse	Smith, Ohio
Combs	Larcade	Stanley
Crook	Lichtenwalter	Talle
Crosser	Lodge	Teague
Dingell	McCarthy	Tollefson
Eaton	McGrath	Van Zandt
Engel, Mich.	McMillen, Ill.	Werdel
Fogarty	Macy	Whitaker
Gavin	Miller, Md.	Whitten
Gillette	O'Brien, Ill.	Widnall
Gorski	O'Toole	Wood
Hare	Pfeiffer	
Hart	Joseph L.	
Hébert	Pfeiffer,	
Herter	William L.	
Irving	Plumley	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Cole of New York for, with Mr. Smith of Ohio against.

Mr. Herter for, with Mr. Miller of Maryland against.

Mr. Eaton for, with Mr. Lichtenwalter against.

Mr. Poage for, with Mr. Werdel against.

Mr. Hébert for, with Mr. Jacobs against.

Mr. Kerr for, with Mr. Hare against.

Until further notice:

Mr. O'Toole with Mr. Macy.

Mr. Wood with Mr. Jennings.

Mr. Chatham with Mr. Van Zandt.

Mr. Gorski with Mr. Gavin.

Mr. Hart with Mr. Bramblett.

Mr. Biemiller with Mr. Brehm.
 Mr. Crook with Mr. Keefe.
 Mr. Crosser with Mr. McMillen of Illinois.
 Mr. Dingell with Mr. William L. Pfeiffer.
 Mr. Whitten with Mr. Scrivner.
 Mr. Whitaker with Mr. Scudder.
 Mr. Fogarty with Mr. Rich.
 Mr. Stanley with Mr. Gillette.
 Mr. Teague with Mr. Talle.
 Mr. Sabbath with Mr. Plumley.
 Mr. Powell with Mr. Tollefson.
 Mr. Kee with Mr. Engel of Michigan.
 Mr. McGrath with Mr. Widnall.

The result of the vote was announced as above recorded.

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 4234) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing emergency relief assistance to Yugoslavia, and to strike out all after the enacting clause and insert in lieu thereof the provisions of H. R. 9853, as passed by the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. RICHARDS]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That this act may be cited as the "Yugoslav Emergency Relief Assistance Act of 1950."

Sec. 2. The President is hereby authorized to expend not in excess of \$50,000,000 of the funds heretofore appropriated for expenses necessary to carry out the provisions of the Economic Cooperation Administration Act of 1948, as amended (Public Law 759, 81st Cong.), for the purpose of providing emergency relief assistance to Yugoslavia under the authority of this act.

Sec. 3. No assistance under authority of this act shall be made available nor shall any funds appropriated hereunder be expended until an agreement is entered into between Yugoslavia and the United States containing the following undertakings by Yugoslavia and any other undertakings the President may find desirable and appropriate:

(a) To give full and continuous publicity through the press, radio, and all other available media in Yugoslavia to the assistance furnished by the United States.

(b) To permit persons designated by the Government of the United States to observe without restriction the distribution of commodities and other assistance made available under the authority of this act, and to the extent necessary for this purpose to permit full freedom of movement of such persons within Yugoslavia and full access to communication facilities.

(c) To make equitable distribution to the people of Yugoslavia of the commodities made available under this act without discrimination as to race, color, or political or religious belief.

(d) To make available to the Government of the United States local currency in amounts required by it to meet its local currency administrative and operating expenses in Yugoslavia in connection with assistance to Yugoslavia.

(e) Whenever relief supplies furnished under this act are sold for local currency by the Government of Yugoslavia, to use an equivalent amount of such currency to provide relief to needy persons and to children, and for charitable, medical, and such other purposes as may be mutually agreed upon.

Sec. 4. All or any portion of the funds made available under authority of this act may be transferred by the President to any Department or agency of the executive branch of the Government to be expended for the purpose of this act. Funds so transferred may

be expended under the authority of any provisions of law not inconsistent with this act applicable to the departments or agencies concerned.

Sec. 5. At least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this act and transported on ocean vessels (computed separately for dry bulk carriers, dry cargo liners and tankers) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels if available.

Sec. 6. Local currency made available to the United States by Yugoslavia under the provisions of the agreement required by section 3 of this act may be used for local currency administrative and operating expenses in Yugoslavia in connection with assistance provided by this act without charge against appropriated funds.

Sec. 7. All or any part of the assistance provided under this act shall be promptly terminated by the President—

(a) whenever he determines that (1) Yugoslavia is not complying fully with the undertakings in the agreement entered into under section 3 of this act, or is diverting from the purpose of this act assistance provided hereunder; or (2) because of changed conditions, continuance of assistance is unnecessary or undesirable, or no longer consistent with the national interest or the foreign policy of the United States;

(b) whenever the Congress, by concurrent resolution of both Houses, finds termination is desirable.

Termination of assistance to Yugoslavia under this section shall include the termination of deliveries of all supplies scheduled under this act and not yet delivered.

Sec. 8. Nothing in this act shall be interpreted as endorsing measures undertaken by the present Government of Yugoslavia which suppress or destroy religious, political, and economic liberty, and the Yugoslav Government shall be so notified when aid is furnished under this act.

Sec. 9. At the termination of each 3-month period after aid has been extended under this act the Secretary of State shall make a full and detailed report to the Congress. Said 3-month reports shall not be limited to, but shall include (1) information as to whether or not Yugoslavia is abiding by the agreement as provided for under section 3 of this act; (2) information as to any developments in the attitude of Yugoslavia with respect to basic human rights.

Mr. RICHARDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDS: Strike out all after the enacting clause of the bill S. 4234 and insert in lieu thereof the provisions of H. R. 9853, as passed by the House, as follows: "That this act may be cited as the 'Yugoslav Emergency Relief Assistance Act of 1950.'

"Whereas the Government of Yugoslavia has urgently requested relief due to drought conditions, and has expressed an intention to conform to its obligations as a member nation of the United Nations.

"Sec. 2. The President is hereby authorized to expend not in excess of \$50,000,000 of the funds heretofore appropriated for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended (Public Law 759, 81st Cong.), for the purpose of providing emergency relief assistance to Yugoslavia under the authority of this act.

"Sec. 3. No assistance under authority of this act shall be made available nor shall any funds appropriated hereunder be expended until an agreement is entered into between Yugoslavia and the United States containing the following undertakings, and any others the President may determine to be desirable, on the part of Yugoslavia:

"(a) To make available to the Government of the United States local currency in amounts required by it to meet its local currency administrative and operating expenses in Yugoslavia in connection with assistance supplied under this act.

"(b) To give full and continuous publicity through the press, radio, and all other available media in Yugoslavia to the assistance furnished by the United States; and to allow to the United States, in cooperation with Yugoslavia, the use of such media as may be required to accomplish this purpose.

"(c) To permit persons designated by the Government of the United States to observe and supervise without restriction the distribution by Yugoslavia of commodities and other assistance made available under the authority of this act, and to the extent necessary for this purpose to permit full freedom of movement of such persons within Yugoslavia and full access to communication and information facilities.

"(d) To make equitable distribution to the people in Yugoslavia of the commodities made available under this act, as well as similar commodities produced locally or imported from outside sources, without discrimination as to race or political or religious belief.

"(e) To take all necessary actions to reduce its relief needs, to encourage increased production and distribution of foodstuffs within Yugoslavia and to lessen the danger of similar future emergencies.

"Sec. 4. All of the funds made available under authority of this act shall be utilized to the fullest practicable extent in the purchase of the commodities from the surplus commodities at Government cost in the possession of the Commodity Credit Corporation.

"Sec. 5. Nothing in this act shall be interpreted as endorsing measures undertaken by the present Government of Yugoslavia which suppress or destroy religious, political, and economic liberty, and the Yugoslav Government shall be so notified when aid is furnished under this act.

"Sec. 6. At the termination of each 3-month period after aid has been extended under this act the Secretary of State shall make a full and detailed report to the Congress. Said 3-month reports shall not be limited to, but shall include (1) information as to whether or not Yugoslavia is abiding by the agreement as provided for under section 3 of this act; (2) information as to any developments in the attitude of Yugoslavia with respect to basic human rights.

"Sec. 7. All or any portion of the funds made available under authority of this act may be transferred by the President to any department or agency of the executive branch of the Government to be expended for the purpose of this act. Funds so transferred may be expended under the authority of any provisions of law, not inconsistent with this act, applicable to the departments or agencies concerned, except that funds so transferred shall not be commingled with other funds of such departments or agencies and shall be accounted for separately.

"Sec. 8. Local currency made available to the United States by Yugoslavia under the provisions of the agreement required by section 3 may be used for local currency administrative and operating expenses in Yugoslavia in connection with assistance provided by this act without charge against appropriated funds.

"Sec. 9. At least 50 percent of the gross tonnage of any equipment, materials, or commodities made available under the provisions of this act and transported on ocean vessels (computed separately for dry bulk carriers and dry cargo liners) shall be transported on United States flag commercial vessels at market rates for United States flag commercial vessels.

"Sec. 10. All or any part of the assistance provided hereunder shall be promptly terminated by the President—

"(a) whenever he determines that (1) Yugoslavia is not complying fully with the undertakings in the agreement entered into under section 3 of this act, or is diverting from the purpose of this act assistance provided hereunder; or (2) because of changed conditions, continuance of assistance is unnecessary or undesirable, or no longer consistent with the national interest or the foreign policy of the United States;

"(b) whenever the Congress, by concurrent resolution, finds termination is desirable.

"Termination of assistance to Yugoslavia under this section shall include the termination of deliveries of all supplies scheduled under this act and not yet delivered."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 9853 was passed were vacated, and the bill was laid on the table.

The SPEAKER. Without objection, the Clerk will be authorized to correct section numbers.

There was no objection.

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 4234, together with a House amendment thereto, insist on the amendment of the House, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. RICHARDS, Mrs. DOUGLAS, Mr. MANSFIELD, Mr. EATON, and Mr. VORYS.

GENERAL LEAVE TO EXTEND

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the Yugoslav Emergency Relief Assistance Act of 1950.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

HEARING ON REAPPORTIONMENT TUESDAY, DECEMBER 19, 10 A. M.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to proceed for one-half minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BYRNE of New York. Mr. Speaker, on Tuesday next, at 10 o'clock a. m. a subcommittee of the Committee on the Judiciary will hold a meeting in room 346, Old House Office Building, for the purpose of hearing Members of Congress who desire to be heard regarding reapportionment. We shall have very little time, of course, in this particular session for that matter; nevertheless, on Tuesday morning next at 10 o'clock the subcommittee will be there to hear all those Members who may wish to be heard on this very important matter.

SPECIAL ORDER GRANTED

Mr. BRYSON asked and was given permission to address to the House for 30 minutes on tomorrow, Thursday, following the legislative business of the day

and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission to extend his remarks and include a letter.

Mr. WIDNALL (at the request of Mr. CANFIELD) was given permission to extend his remarks in three instances, in each to include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks in two instances, and in each to include extraneous matter.

Mr. HESELTON asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and to include copies of certain correspondence and tabulations.

Mr. PHILBIN asked and was given permission to extend his remarks in two instances.

Mr. KEOGH asked and was given permission to extend his remarks and include an article that appeared in the Brooklyn Barrister.

Mr. DELANEY asked and was given permission to extend his remarks and include an address by Dr. Joseph F. Thornington, associate editor of the Americas.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks and to include extraneous matter.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HART (at the request of Mr. KLEIN), for today, on account of official business.

To Mr. O'TOOLE (at the request of Mr. DELANEY), for the balance of the week, on account of official business.

To Mr. WIDNALL (at the request of Mr. CANFIELD), indefinitely, on account of illness.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p. m.) the House adjourned until tomorrow, Thursday, December 14, 1950, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. H. R. 9802. A bill to grant succession to the War Damage Corporation; with amendment (Rept. No. 3186). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOLLIVER:

H. R. 9907. A bill to amend the act incorporating The American Legion so as to redefine (a) the powers of said corporation, (b) the right to the use of the name "The

American Legion" and "American Legion"; to the Committee on the Judiciary.

H. R. 9908. A bill to amend the act incorporating The American Legion so as to redefine eligibility for membership therein; to the Committee on the Judiciary.

By Mr. LeCOMPTE:

H. R. 9909. A bill to amend the act incorporating The American Legion so as to redefine (a) the powers of said corporation, (b) the right to the use of the name "The American Legion" and "American Legion"; to the Committee on the Judiciary.

H. R. 9910. A bill to amend the act incorporating The American Legion so as to redefine eligibility for membership therein; to the Committee on the Judiciary.

By Mr. RANKIN (by request):

H. R. 9911. A bill to authorize the payment by the Administrator of Veterans' Affairs of a gratuitous indemnity to survivors of members of the Armed Forces who die in active service, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BYRNES of Wisconsin:

H. R. 9912. A bill to limit the retroactive application of the income tax to employees of the United States working in the possessions or in the Canal Zone to October 1, 1950; to the Committee on Ways and Means.

By Mr. CURTIS:

H. R. 9913. A bill to prevent penalties and additions to tax in case of failure to meet requirements with respect to estimated tax by reason of increases imposed by the Revenue Act of 1950; to the Committee on Ways and Means.

By Mr. PRIEST:

H. R. 9914. A bill to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, particularly in national defense areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN (by request):

H. R. 9915. A bill to provide that the House of Representatives shall be composed of 450 Members, and for other purposes; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 9916. A bill to amend section 1700 (a) (1) of the Internal Revenue Code so as to restore the exemptions from admissions tax which applied during World War II with respect to members of the Armed Forces and to theaters operated on military installations; to the Committee on Ways and Means.

By Mr. CLEMENTE:

H. Res. 881. Resolution calling upon Attorney General and Postmaster General to investigate television service racket; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WALTER introduced a bill (H. R. 9917) for the relief of Peter V. Bishop, which was referred to the Committee on the Judiciary.

SENATE

THURSDAY, DECEMBER 14, 1950

(Legislative day of Monday, November 27, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou seeking shepherd of our souls, from the arid wastes of our own foolish and perverse ways lead us in green pastures and beside still waters. Deepen