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bill would permit social security beneficiaries to earn more money and still be able to draw

under present law, a person may not earn more than \$1,200 a year and still receive the full social security benefit.

An original purpose of the social security law was to facilitate the withdrawal of older workers from the labor force. This law was written in depression times. Young people, hungry for jobs, moved into the working force when their seniors retired.

The so-called earnings test, the ceiling on outside income, was one way of accomplishing this aim of discouraging older workers from continuing in their jobs.

Clearly, the emphasis of our social security programs has changed since those days.

The bills I introduce today would accomplish these purposes:

First. Raise from \$1,200 a year to \$1,800 the amount which can be earned as income without reduction of the beneficiary's eligibility for full old age and survivors' insurance retirement benefits.

Second. Permit workers who postpone retirement to accumulate extra pension credits for use when they finally do retire. At present, the average age of first entitlement to old-age insurance benefits is about 68 to 69 years. Increasing benefits for persons who delay retirement after 65 would provide an incentive for older workers to continue in productive employment as long as they are useful. Presently, these individuals simply lose the benefits to which their years of employment under the system would have normally entitled them. My bill proposes an increase of one-fourth of 1 percent for each month of delayed retirement, or 3 percent a year.

Third. Prevent actual loss of income as a result of staying on the job past retirement age. Under existing law, it is possible to lose more in benefits deducted as a result of outside income than is gained from the outside employment itself.

The 85th Congress took a halting step toward removing the discrimination against older workers created by the inequitable earnings test. In the omnibus social security bill passed last year, Congress raised from \$80 to \$100 the monthly limit on outside earnings which a beneficiary could make without losing a month's benefits. Thus, a bill which I, along with others, had previously offered was enacted into law.

But this was a minor change, indeed, and further improvement ought to be made. The Senate Finance Committee, after thorough consideration of the earnings test in 1954, made this report to the Senate:

Monthly benefits under the old-age and survivors' insurance system are paid upon the retirement or death of the family earner. Consequently, the law provides that benefits are not payable to persons otherwise eligible for benefits if they have substantial employment or self-employment earnings, as determined under the retirement test set out in the act.

Your committee seeks to maintain this principle, but has determined that certain amendments should be made to increase the equity of the retirement test and to afford greater opportunities to retired individuals to supplement their benefits through earnings from part-time or intermittent work.

I believe we should move toward these reasonable goals now.

The VICE PRESIDENT The bills will be received and appropriately referred.

The bills, introduced by Mr. CASE of New Jersey, were received, read twice by their titles, and referred to the Committee on Finance, as follows:

S. 2225 A bill to amend section 203 of the Social Security Act to increase the amount of earnings individuals are permitted to earn without suffering deductions from their benefits;

S. 2226 A bill to amend title II of the Social Security Act to provide extra credit for postponed retirement; and

S. 2227 A bill to amend section 203 of the Social Security Act so as to prevent loss of income by beneficiaries because of deductions from benefits on account of the charging of earnings.

CAPTIVE NATIONS WEEK

Mr. DOUGLAS. Mr. President, on behalf of the senior Senator from New York (Mr. JAVITS) and myself, I introduce, for appropriate reference, a joint resolution to provide for the designation of the week following the Fourth of July as "Captive Nations Week."

I ask unanimous consent that the joint resolution may lie on the table until Friday, June 26, to enable any Senators who may wish to join as sponsors of the joint resolution to do so.

The VICE PRESIDENT The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie on the desk, as requested by the Senator from Illinois.

The joint resolution (S.J. Res. 111) providing for the designation of the week following the Fourth of July as "Captive Nations Week", introduced by Mr. DOUGLAS (for himself and Mr. JAVITS), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. DOUGLAS. Mr. President, despite all the talk about more talkations, whether at Geneva, the summit, or elsewhere, sober minds throughout the world cannot escape the contemplation of basic issues that divide the world. Mere symptoms considered at Geneva or at a summit will not assure us the basis of peace with justice. This concentration on symptoms—today Berlin, tomorrow something else—plays more and more into the poker hands of Moscow. To our own advantage, not to say in behalf of truth, at these conferences we should be relating these symptoms to their basic causes. This, unfortunately, we are not doing, and the impression created by us throughout the world are not favorable to us.

The most basic of issues is the continued enslavement of the captive nations. It is this issue that underlies the so-called Berlin crisis. It is this issue

that will be at the foundation of subsequent crises manufactured by Moscow.

The Berlin issue is an inseparable part of the larger issue of a free and reunified Germany and this larger issue is but a part of the general problem of the captive nations. Yet at Geneva and in official quarters little if anything is heard about the captive nations. The very cause of our international crises and tensions is perilously overlooked. This situation has developed so that countless thoughtful minds in this country and elsewhere are beginning to ask: "Is this the preliminary stage to our eventual acquiescence in the permanent captivity of nations in the vast Communist empire?"

Careful analysts know that ever since the launching of the sputniks, the Russian colonialist, Khrushchev, has sought a summit conference to check out such Western acquiescence. The Berlin crisis was created as a means to obtain a summit conference. And at a summit conference the very omission of a serious discussion about the liberation of captive nations, both in Europe and Asia, would be tantamount—or so construed by Communist propaganda—to Western submission on this basic issue.

Such an outcome would undoubtedly be the greatest victory of Russian cold war diplomacy since the very beginnings of the Communist Empire in 1918. It would irreparably damage our most powerful deterrent against further Communist aggression and, quite likely, a global hot war. This deterrent is made up of the national loyalties and freedom aspirations of the captive millions in Europe and Asia.

This clever and diabolical scheme contrived by the wily Khrushchev must be thwarted. The process of substituting symptoms for their causes cannot be allowed to go too far. Realism must be injected soon in our negotiations with the Kremlin tyrants. As we Americans approach our own forthcoming Independence Day celebrations, the time has come for some sober thinking and reflecting.

Our society, to be sure, is not perfect. But by all evidence it is unquestionably one that has given so much in so many ways to so many within a short span in the history of man. It is one which has made this Nation powerful, exemplary and widely respected. Contrary to some false notions, we do possess a rich and articulate ideology which inspires our continued growth as a strong-willed nation and affords us the successful means to cope with the zig-zags of the international Communist conspiracy. This ideology is plainly and concretely spelled out in our own Declaration of Independence.

With this approaching Independence Day it is therefore timely that we reflect upon the moral and political principles embodied in our Declaration of Independence. Even more important is the application of these perennial principles to other nations and peoples. In our own basic security interest, these principles must be steadfastly held out to all the nations which have been raped and exploited by imperial Moscow since 1918.

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For our own national freedom we cannot afford to dissipate this greatest deterrent against Russian Communist expansionism and a global hot war.

I believe that it is most fitting and proper for us as freemen to express our moral commitment to the freedom and self-determination of the peoples of the captive nations on the eve of our Independence Day. I therefore introduce a joint resolution which provides for a Presidential proclamation designating the week following the Fourth of July as "Captive Nations Week." I am confident that this resolution reflects the thoughts and sentiments not only of the American people, not only of the peoples in the free world, but also of the captive millions behind the Iron and Bamboo Curtains.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD at this point for the information of Senators, together with the first chapter from Mr. Harry Walton's recent, thought-provoking book "The Third World War: Trade and Industry—The New Battleground." This chapter, entitled "The Struggle for the World," with penetrating insight summarizes the Communist actions subjugating the captive nations and their latest tactics and maneuvers reaching out to dominate the rest of the free world. It is a sober reminder of the grave dangers we face.

There being no objection, the joint resolution and chapter were ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 111

Joint resolution providing for the designation of the week following the Fourth of July as "Captive Nations Week"

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cosackia, Turkistan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in re-

storing to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, and other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States in Congress assembled, That the President is authorized and requested to issue a proclamation on the Fourth of July, 1950, declaring the week following such day as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation on each succeeding Fourth of July until such time as freedom and independence shall have been achieved for all the captive nations of the world.

The chapter from the book presented by Mr. DOUGLAS is as follows:

THE THIRD WORLD WAR: TRADE AND INDUSTRY—THE NEW BATTLEGROUND
(By Harry Walton)

CHAPTER I. THE STRUGGLE FOR THE WORLD

In every inhabited part of the world the forces of communism and democracy are locked together in combat. In this struggle there are no neutral territories. In some countries the Communists are firmly entrenched; in others, such as the United States and the British Commonwealth, the free peoples hold positions of immense strength. There is, however, a vast sea of man's land composed of nations in which the issue is in the balance, where probably within the next two decades the supremacy of one side or another will decide the fate of mankind for centuries to come.

This is not an all-out military struggle, and it is unlikely to develop into one, fought even with conventional weapons. A nuclear war, with whole cities being blasted out of existence in a matter of seconds, is even more unlikely. Such events would be the products of madmen. These do not exist among the leaders and potential leaders of the free nations. Nor does Khrushchev, even when he is in his cups, show the slightest inclination to risk the destruction of what he and his forerunners have taken such pains to build. The evidence of the Berlin blockade, Korea, and the Middle East show beyond doubt that armed conflict on a global basis is not part of Soviet strategy.

Indeed there is no reason why it should be. The Russian leaders are realists. They know that the third world war is already in progress, and believe that they are winning it. This great and decisive struggle for supremacy is being fought, not between spatulas in outer space, but between economic systems on earth.

The weapons are marketable commodities such as cars, tractors, industrial equipment, power stations, and consumer goods of all types. The main armies are not soldiers, but salesmen who, operating as a disciplined force, have been told to get into world markets and drive out the products of the western democracies.

That is the new war. It is based upon the simple truth that Britain—still regarded as the main bulwark against the spread of communism—is either a great trading nation or is not a great nation. Deprived of our trade we become a comparatively unimportant island in the North Sea. We would be incapable of defending ourselves, of maintaining our population, or playing our full part in world affairs. Without a constant and sufficient supply of food and raw materials from overseas we are doomed. We know that, and so do the Russians.

We are also the heart of a great Commonwealth, and the mainspring of the sterling area. Break this country through destroying its economy, and the dream of world communism comes much nearer to reality.

This type of warfare is the more dangerous because of its subtlety. We may not awaken before it is too late. For this reason the Soviet Union runs the most efficient and most costly propaganda machine in the world. Day in and day out it conducts a barrage against the minds of the free peoples. By lies, half-truths, and innuendoes, it seeks to weaken our morale, undermine faith in our way of life, and above all to direct our attention away from the real danger.

Not the least important part of the Soviet trade-war machine exists inside Britain's key exporting industries. There, under the guise of militant trade unionism, a constant battle is going on against the productive efficiency without which we cannot in the long run meet the Soviet challenge.

These Soviet agents, many of whom hold important positions in the trade-union movement, have caused concern among such men as Bill Carron, president of the Amalgamated Engineering Union, who has described them as subversives "acting under the dictates of a foreign power with the declared purpose of wrecking Britain's economy."¹

It is in this light that the activities of Communists everywhere must be assessed. They are part of a plan, which has been avowed by all Russian leaders from Lenin to Khrushchev, to establish communism on a world basis. Like Hitler, these men, and the theoreticians before them, have frankly declared both their aims and the methods through which they hope to achieve them. Unlike Hitler they have relentlessly pursued these aims without unnecessary risk of armed conflict. They are not men in a hurry.

There is a further similarity. When Hitler was proclaiming his intentions from the housetops, many people either dismissed him as a crank, or in any event refused to heed the warning. So it is today. Leaders of British public opinion, perhaps influenced by the day-to-day propaganda utterances of the Soviet leaders, are reluctant to accept Communist avowals at their true value.

We cannot complain that they have not been constantly and concisely expressed. Over a century ago, for example, the Communist Manifesto, the first fundamental document of modern communism, was simple, straightforward, and to the point. It stated:

"The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communist revolution. In it the proletariat has nothing to lose but their chains. They have a world to win. Working men of all countries, unite."

This was given reality by the Bolshevik seizure of power in Russia in 1917. The world movement achieved a base from which it could reach out into the farthest corners of the globe. Adherents in all countries

¹ Empire News, Sept. 2, 1947.

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have since then consciously accepted the doctrine that the U.S.S.R. is the Communist heartland, and that its rulers are the potential masters of all mankind.

Directives circulated through hosts of subsidiary organizations have since poured out from the Kremlin, and been accepted and acted upon without question by party members and supporters in every country. These Soviet agents straddle the earth, ready to subordinate everything, their country, their trade unions, their families, and even themselves, to the task of ensuring Soviet domination.

Their duty has, in spite of the heavy Marxist jargon, never been more clearly expressed than by P. E. Vishinsky, the Soviet theoretician who stated in 1948:

"At present the only determining criterion of revolutionary proletarian internationalism is, are you for or against the U.S.S.R., the motherland of the world proletariat? An internationalist is not one who verbally recognizes international solidarity or sympathizes with it. A real internationalist is one who brings his sympathy and recognition up to the point of practical and maximal help to the U.S.S.R. in support and defense of the U.S.S.R. by every means and in every possible form. Actual cooperation with the U.S.S.R., the readiness of the workers of any country to subject all their aims to the basic problem of strengthening the U.S.S.R. in their struggle—this is the manifestation of revolutionary proletarian internationalism on the part of workmen in foreign countries."

"The defense of the U.S.S.R., as of the Socialist motherland of the world proletariat, is the holy duty of every honest man everywhere and not only of the citizens of the U.S.S.R."

This welding of international Communist forces into one mighty army directed and controlled by Russia, and owing unqualified allegiance to those in power in that country, has been a prime task of party members everywhere since 1917. Any sign of deviation or movement toward national communism has been ruthlessly suppressed, either by mass executions where Communists rule, or expulsion from the party where dissident comrades are fortunate enough to live in a democracy.

How this army could be used to achieve world conquest was outlined by Lenin many years ago, and incorporated in volume V, page 141, of his "Selected Works." It so impressed Stalin that he repeated the general theme in a major speech in 1924, and it has since been included in every edition of his works (the most recent being in English in 1943 and in Russian in 1949).

This important directive boils down to four essentials:

1. Building up the strength of the Soviet Union.
2. Organizing subversion in the industrialized capitalist states.
3. The fomenting of revolt in colonial countries.
4. A final onslaught using whatever methods are most suitable in the light of prevailing conditions in the country or countries concerned.

The essential aim was summarized in the following statement:

"The victory of Socialism in one country is not a self-sufficient task. The revolution which has been victorious in one country must regard itself not as a self-sufficient entity, but as an aid, a means for hastening the victory of the proletariat in all countries. For the victory of the revolution in one country, in the present case Russia . . . is the beginning of and the groundwork for the world revolution."

These are the words of Stalin, taken from "Problems of Leninism" published in 1941. They declare the blunt truth—that Soviet foreign policy is one of worldwide expansion.

The example of Hungary shows exactly the conditions under which the Soviet leaders will go to war. They will do so when the victim is helpless to retaliate, when they feel they are secure from armed intervention by other nations, and when the use of Soviet armed strength is necessary to obtain or retain complete and absolute control.

Korea and Malaya are instances of an attempt to achieve conquest by proxy, although in each case, the immediate aim was almost certainly more economic than military. The importance of Malayan rubber to the economies of Western Europe and to the stability of the sterling area is as evident to the Russians as it is to us.

The Korean War, apart from sparking off a propaganda campaign in which the Russians out-Goebbelled Goebbels, also caused the British Labour Government to embark upon an arms program in which, by diverting men and materials from badly needed schemes for capital development, and the manufacture of products for export, struck a severe blow against our economy. It also paved the way for many of the industrial troubles from which we have since suffered. Those who doubt the ability of Russia to exert immense influence in this country might ponder over the fact that from 1956 onwards our whole budgetary structure was conditioned by the Soviet military adventure in Korea.

The shift of emphasis from military conflict to trade war was foreshadowed by Stalin in a treatise published just before his death. Referring to the economic integration of the Communist bloc, he stated:

"The result is a fast pace of industrial development in these countries. It may be confidently said that, with this pace of industrial development, it will soon come to pass that these countries will not only be in no need of imports from capitalist countries, but will themselves feel the necessity of finding an outside market for their surplus products."

"But it follows from this that the sphere of exploitation of the world's resources by the major capitalist countries will not expand, but contract; that their opportunities for sale in the world market will deteriorate, and that their industries will be operating more and more below capacity."

Since then this has become the spearhead of the Russian attack. It has dominated life behind the Iron Curtain, where the interests of workers, particularly in the satellites, have, as we shall see in ensuing chapters, been sacrificed to achieve capital formation in excess of that justified by existing productive capacity. Indeed, it is important to re-emphasize that the drive for trade mastery has little in common with normal commercial rivalries between competitor countries. Inside the Communist countries it is planned, conducted and financed as a military operation to be successfully concluded without regard for cost. Further, the attack has been launched with the active assistance of Communists working in every democratic country.

By 1955 the progress already made justified the Soviet announcement that "communism has become a world system which is in economic competition with capitalism."

Khrushchev was even more specific when, at a reception held at the Norwegian Embassy in Moscow, he told a British reporter that "Your system will collapse through economic competition with communism."

The Communists, then, have made no secret of their aims or their methods. Political penetration, the actuality or threat of mili-

tary attack, and the trade war are the avowed weapons to be used to achieve an avowed aim.

Yet in spite of warnings, and the lessons of postwar history, there are still people in high places who believe that the Kremlin is peopled by men and women dominated by fear of "encirclement by hostile capitalist powers," and who only have to be given a little encouragement to become good neighbors with whom schemes for the mutual advancement of all countries can be worked out.

In other words, they believe that the Russians are taking steps toward world domination with great reluctance, not because it is an integral part of the Communist creed, but in self-defense against the machinations of the democratic powers.

When Mr. Aneurin Bevan, then Britain's "shadow" Foreign Minister, visited Moscow in 1957, he returned to express the view that the utterances of Soviet leaders could be dismissed as "ritualistic exercises." These deserve to be categorized as famous last words. Seldom has such a dangerous statement been made by such an important man.

There was nothing ritualistic about Khrushchev's reaction when Hungary attempted to break away from the Soviet empire. Nor was it provoked by a neighborly desire to safeguard Hungarian democracy. His action was provoked by fear that if Hungary succeeded in achieving its freedom the other satellites in which a great deal of restlessness existed would quickly follow suit.

Anyone who believes that the Communists are playing theoretical games must have slumbered since the Hitler-Stalin Pact, in August 1939, made the Second World War inevitable. This began a period of open expansion. Of the three main powers ultimately engaged in the war against Nazi Germany, only the Soviet Union gained territory.

Poland was invaded. This was followed by the attack on Finland, the annexation of Bessarabia and Bukovina, and forcible incorporation of Estonia, Latvia, and Lithuania into the Soviet Union. Those who believe that there is an easy way to peaceful coexistence with communism, should note that Russia had freely negotiated nonaggression pacts with all these countries.

This expansionist phase, reminiscent of imperialism at its worst, received a setback when Hitler bounded on his ally and invaded the Soviet Union.

Once victory in Europe had been achieved, however, Russian imperialism went on with renewed impetus.

What makes this postwar period one of the great watersheds of history is that the extension of Russian control to other countries coincided with an even greater movement of withdrawal and noncommitment on the part of the democracies. At each successive stage, barriers against Communist penetration were weakened over large areas inhabited by millions of people. Russia herself became enriched by the addition of Estonia, Latvia, Lithuania, the eastern provinces of Poland, Bessarabia and Bukovina from Rumania, the Carpathian-Ruthenia province of Czechoslovakia, half of East Prussia from Germany, slices of Finland, Tannu Tuva, Dabren and Port Arthur from China, and the Kurile Islands and Sakhalin from Japan. Quite an impressive record for a power said to be "in the forefront of the fight against imperialism."

Further, it was Russia who provided aid to the Communists in China and helped to achieve the overthrow of the Nationalist Government which, incidentally, had been recognized by Stalin and Molotov in words oddly reminiscent of Hitler's solemn promises to Poland.

China thus became part of a gigantic Soviet bloc that is now in the process of becoming one huge industrial unit, from

"Problems of Philosophy," Foreign Languages Publishing House, Moscow, 1948.

"Problems of Leninism," Foreign Languages Publishing House, Moscow, 1941, p. 113.

Stalin: "Economic Problems of Socialism in the U.S.S.R.," Foreign Languages Publishing House, Moscow, 1952, p. 36.

Sunday Times, November 13, 1955.

which, sooner or later, goods will flow into world markets in ever-increasing quantities.

Once in power, the Chinese Communists followed the example of their Soviet tutors. Tibet was invaded and occupied, North Korea and north Vietnam were subjugated.

It is instructive to examine the methods used by the Soviet rulers to extend the Communist base. Georgia provides a very early example of double dealing. In March 1920, the Soviet Government signed a treaty in which it unreservedly acknowledged the "independence and sovereignty of the Georgian state, and renounced voluntarily all the sovereign rights which had appertained to Russia with regard to the people and territory of Georgia." It also pledged itself not to interfere in any way in Georgia's internal affairs.

In February 1921 Soviet troops invaded Georgia, and Tiflis, the capital, fell to the Bolsheviks. On the day this happened Georgia was proclaimed a Soviet republic.

The annexation of eastern Poland is another instance of Communist duplicity. In the spring of 1939, while Britain, France, and Poland were negotiating with the U.S.S.R. to form an alliance against Nazi Germany, Stalin's agents were secretly in consultation with Hitler himself. The result was a non-aggression pact between the two countries, under which the eastern half of Poland was recognized as a Soviet sphere of interest. The Nazis invaded Poland on September 1, 1939, and thus sparked off the most destructive war in the history of man. By pre-arrangement, the Soviet Army marched in from the east.

Soviet Foreign Minister, Molotov, speaking on October 31, 1939, boasted:

"One swift blow to Poland, first by the German Army, and then by the Red army, and nothing remained of this ugly offspring of the Versailles Treaty."

Bessarabia and the northern province of Bukovina were acquired by the simple procedure of massing Red Army troops on the Rumanian frontier, and delivering an ultimatum that the Rumanian forces move out of these areas and be replaced by Soviet military units, and that all railways, bridges, airfields, factories, and powerplants be handed over in good order.

The Russians moved in on June 28, 1940, and by a combination of force and bullying, seized these territories.

Another classic example of Soviet foreign policy in action occurred in Finland. In the autumn of 1939 Russia demanded territorial concessions and attempted to obtain them by diplomatic bullying and threats of force. When these maneuvers failed, the Soviet Government decided to invade.

In defiance of the Russo-Finnish Non-Aggression Pact of 1934, an armed attack was launched on November 30, 1939. Finland promptly appealed to the League of Nations, and as a result Russia suffered expulsion from that body. The Finns held out until March of the following year, when they were compelled to surrender large areas including Karelia, in which was situated Viipuri, their second-largest town.

Further hostilities broke out in June 1941, and when an armistice was signed 3 years later, the Soviet Union had, by armed aggression, acquired nearly 18,000 square miles—about one-eighth of Finland's total territory—and a population of nearly 800,000 people. Two-thirds of these chose to be resettled in other parts of their country rather than remain under Soviet rule.

The fate of the Baltic States, like that of Eastern Poland, was settled by the secret pact agreed by Hitler and Stalin in 1939. All three, Estonia, Latvia, and Lithuania, had signed nonaggression pacts with the U.S.S.R.

* Speech to the Fifth (Extraordinary) Session of the Supreme Soviet, Oct. 31, 1939.

When the war broke out they gave way to severe diplomatic pressure and reluctantly accepted pacts of mutual assistance which gave the Soviet armies the right of admittance into their territory.

Molotov, surely one of the most cynical statesmen in history, gave his assurance that these agreements "strictly stipulate the inviolability of the sovereignty of the signatory States, and the principle of non-interference in each other's affairs. They are based upon mutual respect for the political, social, and economic structure of the contracting parties, and are designed to strengthen the foundations for peaceful, neighbourly cooperation between our peoples."

Molotov said this when he knew that Stalin, by agreement with Hitler, had already decided to annex these countries.

When the Baltic States were finally occupied by the Red army in 1944, the peoples did not surrender without a struggle. Russia embarked upon a campaign of terror, execution, and mass deportation which lasted for several years. Thousands of Estonians, Lithuanians, and Latvians were dispatched to Siberia, and thousands more fled to West Germany and Britain. One of the most pathetic incidents reported was that 20,000 Estonians set out for Sweden in an armada of small boats, a venture which was estimated to have cost nearly 10,000 lives.

The methods used in all three cases followed the familiar pattern—broken treaties, duplicity, and ultimatum backed by force. With the fate of Finland staring them in the face, the three tiny countries, with a total population of less than 6 million, had no alternative but to yield.

Rigged elections on the usual Communist lines took place, and the gray fates was played out to the end when at their own request Estonia, Latvia, and Lithuania, their peoples, culture, traditions, and way of life, vanished behind the Iron Curtain.

With the war over, Russia was not content to rest on her very considerable territorial gains. She began to export revolution in earnest. Trained Communist cadres, Soviet troops, and political police armed with an established technique for rigging elections, poured into eastern European countries.

The principles of Potsdam and Yalta were speedily jettisoned, and many European statesmen had their first practical experience of Communist double talk and double think. Clauses in the agreements were distorted beyond recognition. "Democratic elements," for instance, was so twisted that it referred only to Communists and their sympathizers. "Fascists" and "reactionaries" became terms of abuse applied to everyone, even democratic Socialists, who resisted the encroachment of the Soviet Union. The Red army, which was deployed across eastern Europe, became the dominating factor. Its ranks were stiffened by Moscow-trained Communist leaders of all nationalities, together with units of political police. Before the dust of conflict had time to settle they began the task of systematically destroying national resistance to Communist rule.

One by one the eastern European countries were caught in the Soviet net. The technique in each case followed the same broad lines; "united front" governments were formed in which Communists held the key positions, and opponents who could not be intimidated were promptly dealt with either by execution, deportation, or imprisonment. Rigged elections were held to give the process an appearance of legality.

Whether these tactics would have succeeded on their own is doubtful. In fact, Stalin took no risks. He knew that with Europe in its war-weary state he could use, or threaten to use, military force within the

* Ibid.

area controlled by the Red army without fear of retaliation.

The Communists themselves have openly admitted that Soviet army backing was an essential ingredient in the early postwar prescription for revolution.

In March 1956 Miron Constantinescu, First Deputy Chairman of the Rumanian Council of Ministers, said:

"The peaceful development of the revolution was facilitated by the fact that at that period the Soviet Army was stationed on Rumanian territory and . . . by its mere presence paralysed the action of the reactionary forces."

The Cominform journal of March 15th, 1946, carried the interesting admission that "one of the prerequisites of setting up the people's power in Poland was the liberation of Poland by such a revolutionary force as the Soviet Army."

So the tide of Soviet Communism swept across Europe towards the western nations, then impoverished by the dislocation and destruction of war, and, in the view of Soviet economists, on the verge of economic collapse.

In 1947 Stalin had reaffirmed his aims with complete frankness. The tasks of the Communist Party, he said, were:

- (a) To make use of all the contradictions and conflicts among capitalist groups and governments which surrounded our country, with the object of destroying imperialism.
- (b) To use all their strength and resources to assist the workers' revolution in the west.
- (c) To take all measures to strengthen the national liberation movement in the east.
- (d) To strengthen the Red Army.*

Among the factors which prevented the further immediate extension of Communist rule was the need to consolidate their hold on areas already dominated by Russian troops. Stalin at that stage was in no position to attempt military invasion of territories occupied by Allied forces.

Another important point was that Stalin's economic advisers were over optimistic. The threatened collapse of the Western democracies, although perilously close during the winter of 1947, did not materialize. Nor did the successful revolutionary uprisings which Stalin confidently expected to take place in France and Italy, although there were political disturbances on a large scale.

The United States, quick to see the danger, rushed in with massive economic aid through the Marshall plan and the European recovery program which, for obvious reasons, was bitterly opposed by Communists everywhere.

This was a serious blow to Soviet ambitions. So was the speedy United Nations reaction to the invasion of South Korea in 1950, and the building up of defensive alliances designed to prevent further Soviet attempts to annex other countries by force.

Faced with more formidable obstacles, the most potent of which was the American possession of the atomic bomb, the Soviet Government paused both to consolidate and strengthen their base, and to consider future strategy. So far great strides toward world domination had been made through a planned policy of bullying and repression. By use of military force and diplomatic pressure, aided by a willing fifth column in the victim countries, Communist rule was established over one-third of the world.

Could these same weapons be used to conquer the remainder? Not, the Communist leaders decided, without the risk of provoking a major conflict. Tactics were therefore changed. As George Dimitrov, then Secretary-General of the Communist Interna-

* Cominform journal, March 9, 1946.

* Stalin: "The Party Before and After the Seizure of Power," Works, Moscow, 1947, Vol. 2, p. 111.

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tional, and later dictator of Bulgaria, had put it:

"We are sometimes accused of departing from our Communist principles. What stupidity, what blindness. We should not be Marxist and Leninist revolutionaries, nor disciples of Marx, Engels, Lenin, and Stalin, if we were not capable of completely altering our tactics and our mode of action as circumstances may dictate. But all the deviations, and all the ins and outs of our tactics are directed to a single end—the world revolution."¹⁴

From this reappraisal of the position two clearly defined lines emerged. It was decided to harness the fear of war instead of war itself to the Communist cause. So the peace campaign, always an essential part of Soviet strategy, assumed even greater importance. The worldwide propaganda machine went into action with the simple instruction—everything Russia does must be depicted as a great magnanimous gesture for peace. By contrast, the policies of the United States, Britain, France, and Western Germany must always be denounced as warmongering imperialism.

In this way Stalin, after his death admitted by Khrushchev and the whole Russian Communist Party to have been a bloodthirsty tyrant, became the leader of peace lovers throughout the world. Through subsidiary or front organizations operating inside the democracies, the Soviet leaders repeatedly appealed to the peoples of these countries over the heads of their governments. One aim was to lead the free nations into a false sense of security. Thus, while propagandists were attacking the western manufacture of atomic and hydrogen weapons, glowing accounts were given of progress in Russia, where the concentration was said to be entirely on the peaceful use of nuclear fission. Events have proved just how much truth there was in this version of Soviet policy.

The propaganda machine, together with the industrial and trade attack, were deemed by the Soviet leaders to be the swiftest and surest way of continuing the struggle for power that began even before the war against Germany and Japan was finished.

This new emphasis becomes even more intelligible when it is appreciated that while communism was engulfing and enslaving a third of the earth, the Western Powers set about liberating millions of subject peoples. Freedom and independence were granted to India, Pakistan, Ceylon, Burma, Malaya, the Philippines, Vietnam, Laos, Cambodia, Syria, Lebanon, Jordan, Libya, the Sudan, Tunisia, Morocco, Ghana, and the West Indian Federation.

Some of these places are now trouble spots which have been infiltrated by Soviet agents and technicians. They are also areas which, because of their economic importance, can be decisive in the struggles which lie ahead.

As Spotlight, the monthly bulletin of the International Confederation of Free Trade Unions, to which our own TUC is affiliated, summarized it in November 1957:

"Looking at the facts, we see that only Communist powers such as the Soviet Union and China are now engaged in an aggressive campaign to enslave nations and even whole continents behind a smokescreen of anti-colonialism and anti-imperialism. Indeed, during the time when the western colonial powers granted freedom and independence to 900 million people, the Communists have enslaved 900 million people and deprived them of their freedom and independence."

It is indicative of the help given to Russia by well-meaning but foolish people, that in

spite of these facts Prof. A. J. P. Taylor could, even at the time of the Hungarian uprising, be heard on television bracketing the Soviet suppression of Hungary with the colonialism of the British Government.

The unfortunate truth is that these willingly granted extensions of the democratic principle of government have in themselves strengthened the liberty-destroying forces of totalitarianism. Every one of the nations now in or approaching new manhood had its own particular ferment. Each came into being infected with a touchy, easily wounded pride, quick to resent and suspect even the friendliest gesture on the part of the former colonial power. Each had the ravages of war, and admittedly in some cases the neglect of peace, to remedy. Each was the victim of years of unscrupulous Communist propaganda which attributed every problem to the alleged rapacity of the previous overlords. Stress was laid upon what the imperialists had taken out of these lands; very little was said about what had been put in—the vast capital sums, the technical know-how, and the dedicated efforts of thousands of Europeans who had fought with blood, sweat, and tears the poverty, ignorance, and disease which were, and would have remained, an insoluble obstacle to progress.

With their newly won freedom these nations are battling against their own individual problems and their political, racial, and religious rivalries. To keep on the crest of the 20th century wave of expansion in Africa, Asia, and South America, all of them need more capital, more technicians, more trade credits, better education, better health services, and an adequate supply of consumer goods. If the technicians of the Kremlin could have wished into existence favorable conditions in which to apply their own blueprint for power, they could scarcely have thought of anything better than this new postwar world.

Countries such as these are the natural victims of Soviet infiltration. Unskilled in the arts of government, they are crying out for help and sympathy. These things they are getting, and will continue to get, on a large scale from Russia. Small wonder that Soviet trade missions and financial advisers are swarming into South America and the Far and Middle East, offering prices and terms with which the democracies will find it difficult, if not impossible, to compete.

Some commentators, while fully alive to Soviet intentions and tactics, allow their misgivings to take refuge behind the economic difficulties now apparent inside Iron Curtain countries. These, it is said, set a severe limit on the ability of Russia and her satellites to meet the commitments which, for political reasons, they are cheerfully accepting. So they do—for the moment. But Russian strategy is not based on this year or next; it is the ultimate strength of the Soviet bloc that must be considered.

At the moment the trade war is being waged with an abandon that would be ruinous if judged by normal commercial considerations. Only an empire built on industrial slavery can consistently market its products at less-than-cost price. Only a system in which political opposition and ordinary trade-union functions have been obliterated can achieve such concentration on heavy industry that immense production increases take place without a proportionate increase in living standards. Yet that is what is happening inside the Communist countries. The workers are paying heavily for their leaders' ruthless determination to undermine the free world.

Because of the great advantage enjoyed by totalitarianism, it is possible for Communist trade to be conducted on other than a commercial basis. A surprisingly frank admission of present objectives was made by the Czechoslovak Statistical Institution

which, in a reference to the Soviet trade campaign in Southeast Asia and the Middle East, stated:

"Czechoslovak participation in this expansion of trade is not guided by purely practical considerations. . . . It follows a plan carefully drawn up in accordance with political consideration."¹⁵

We would be extremely unwise to underestimate the potential strength of a group of powers with subservience at home and aided by political and industrial agents abroad who are constantly pounding away at the economic stability of the free nations. Under these circumstances there is but too important. The rulers of the Kremlin can afford to wait for their rivals to disintegrate before delivering the knock-out blow.

If the decision was imminent they would be some justification for complacency about the result. The truth, is however, that this new form of warfare will be with us for years ahead. It is likely that the Russian leaders are thinking in terms of 15 or 20 years, but they know what they are doing, and why they are doing it. I wish the democracies could say the same.

As we shall see in ensuing chapters, the Communists are laying their foundations well. By 1975 they hope to have achieved the complete coordination of all Communist countries, including China, into a single workshop directed and fed from the Soviet Union. Division of labor will be extended so as to ensure that each country is concentrating on the type of product to which it is best suited. If and when this reaches fulfillment, the ability of this group to swamp selected markets with cheap industrial products will be frightening.

Even now Russia is in a position to inflict considerable damage in some areas and on certain of our industries. This is clear from the testimony of many business men who have penetrated the Iron Curtain, and who have toured the uncommitted countries. They have expressed grave concern, not only at the Soviet trade potential, but at the immenses strides already being made in Britain's traditional markets. Goods are constantly offered at below cost of production prices in order to get or keep a foothold.

While this battle is on, the air will continue to be thick with slogans designed to mislead the innocent. "Peaceful coexistence" and "friendly competition" will figure in almost every Communist propaganda tract.

Offers of economic aid, technical, and financial assistance without strings and, of course, armaments to help "preserve the independence of the peoples struggling against imperialism" will be made.

Khrushchev himself can be relied upon to assure the world repeatedly, as he did in November 1955, that:

"We are often accused of trying to export Communist ideas to other countries; many other stupid things are said about us. . . . But we have never forced on anyone, nor do we now force, our views on reforming society."¹⁶

To deduce that such statements indicate that Russia's new rulers are content to go their own way and allow other countries to work out their own salvation would be criminal folly. The Soviet Union's export of ideas has not won over any nation to her side, but her export of revolutionary force has gained her the whole satellite empire.

Now that has, for the moment at least, outlived its usefulness. The other weapons in the Communist arsenal are being used. Some of them are old and trusted, others are of more recent date. These include the exploitation of nationalism in such areas, vital to the western economies, as the Middle East, offers of technical assistance to backward

¹⁴ The Observer, Dec. 11, 1955.

¹⁵ Cominform Journal, November 25, 1955.

¹⁶ Speech to Seventh Congress of Communist International, Verbatim Report No. 39, p. 1846.

nations and economic missions designed to establish what are now called "orient states"—countries which become so dependent upon trade with Russia that they cannot break away without risk of industrial collapse.

A hard task confronts the nations of the free world. For 40 years communism has progressed. One thing that must be done now in the new nations bent upon building their future is to tell the truth about Soviet history and its present methods and intentions. We ourselves must know more about what is going on both behind the Iron Curtain and inside the vital industrial concerns of our own country.

The trade war is the kind of conflict to which we ought to be well suited. We have been tackling world markets for the last 200 years with a great measure of success. We have a wealth of experience behind us which should stand us in good stead.

Further, together with other democracies, we can, if we will, present a solid economic front which the Soviet empire will find it impossible to break. All these things we can do if we have determination based upon a sound knowledge of the threat under which we are living and working.

This book is what in army terms would be described as "an appreciation of the situation." How strong is Russia's present position and what is her potential power? Who are her agents in the democratic countries and how do they operate? What are their weakest points? What forces are at our disposal and how should they be used? In answering these questions I shall draw on authentic and documented reports from Iron Curtain countries, and on a great deal of personal knowledge of Communist subversion inside industry and the trade union movement.

In the following chapters we shall see how the Communist forces swung into action in places as far apart as Korea, the London docks and the British motor industry. I shall show how a meeting in Canada resulted in almost complete paralysis in Britain's docklands, and how riots outside Parliament were directed from Prague.

We are in the throes of a war which we dare not lose, yet lose it we will unless free peoples everywhere awaken to the danger, and unite in defense of the freedoms which have taken centuries to build but which can be destroyed almost overnight.

MANAGEMENT OF THE PUBLIC DEBT

Mr. McNAMARA. Mr. President, I submit a concurrent resolution and ask that it be appropriately referred.

This concurrent resolution, I believe, is one alternative to the demand by the administration that Congress remove the statutory ceiling of 4½ percent interest on Treasury bonds.

The concurrent resolution would instruct the Federal Reserve System to "assist the Treasury Department in the economical and efficient management of the public debt."

The effect of this language would be to require the Federal Reserve to enter the Government security market, if necessary, to help hold down the interest rate.

This is one answer to the problem. It is my belief that it is a sound approach to clearing up the fantastically expensive fiscal mess into which this administration has plunged the Nation.

Removing the statutory 4½-percent ceiling would provide, at best, only temporary relief to the Treasury.

It would provide no relief to the taxpayers. Interest charges on the national debt already total about \$8.5 billion annually.

Under the administration's proposal, this figure would go still higher and interest rates on cars, homes, and other commercial loans would follow right along.

Instead of this new giveaway, the Federal Reserve should be required to *stop* in and do its duty.

The Federal Reserve is an agency of the U.S. Government, and as such, it is bound by the policy declarations of the Employment Act of 1946. The attainment of the goals of that act, maximum employment, production, and purchasing power, makes effective coordination of our monetary, credit, and fiscal policies absolutely necessary.

It seems absurd that we should be required to force the Federal Reserve System, an arm of our Government, to cooperate with another arm, the Treasury Department, in providing a sound monetary policy. But it now appears necessary for Congress to knock their heads together. We cannot permit the ruinous policies of this administration to continue.

The economy of this country is being slowly strangled by the tight-money noose.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 50) was referred to the Committee on Finance, as follows:

Whereas the Treasury Department is charged with the responsibility of managing a national debt of over \$285,000,000,000;

Whereas, under the existing circumstances, the Treasury Department is unable to manage the debt except by paying progressively higher interest rates on each succeeding issue of its securities;

Whereas the interest charge on the national debt has grown progressively higher and now stands at more than \$8,300,000,000 annually;

Whereas outstanding Government securities are selling on the market at discounts up to 15 percent and more;

Whereas the removal of the 4½ percent ceiling on long-term Government securities would bring at best temporary relief to the Treasury Department;

Whereas any further rise in the interest rate level could be very harmful for the national economy as a whole;

Whereas the present difficulties of the Treasury Department are due, to a very great extent, to a lack of sufficient coordination of the various components of our monetary, credit, and fiscal policies;

Whereas the Federal Reserve System is an agency of the United States Government, and as such, it is bound by the policy declarations of the Employment Act of 1946;

Whereas a much more effective coordination of our monetary, credit, and fiscal policies is absolutely necessary, for the attainment of the goals of such Act; and

Whereas maintaining orderly conditions in all sectors of the Government security market would be an essential first step toward a more effective coordination of such policies: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Federal Reserve System, while pursuing its primary mission of administering a sound monetary policy, should be guided in its

actions by a balanced interpretation of the policy objectives of the Employment Act of 1946 (including maximum possible price stability); and that, to the maximum extent consistent with the requirements of a sound monetary policy, it should at all times utilize the monetary means and tools that will best assist the Treasury Department in the economical and efficient management of the public debt.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO COMMUNITY ANTENNA TELEVISION SYSTEMS—AMENDMENT

Mr. MOSS. Mr. President, on May 7 of this year I introduced Senate bill 1886, a measure designed to include in one, integrated bill the proposals of the Federal Communications Commission with respect to community antenna television systems and television booster stations.

Since I introduced the original bill, I have spent considerable time studying the problem, and I have also received many letters from citizens of Utah and other States who will be directly affected by the provisions of the bill. I have likewise reviewed the staff report submitted by the Special Counsel of the Interstate and Foreign Commerce Committee on December 26, 1958.

I have now come to the conclusion that the Commission's proposals, meritorious as they are, must be strengthened if the Commission is to be given the tools to encourage the development and maintenance of free local television in our smaller communities. I am sure everyone will agree that this is a highly desired objective.

Also, I feel it is unfair to impose comprehensive governmental regulations on television stations while community antenna television systems are not required to adhere to any Federal standard of public responsibility.

Therefore, on behalf of myself, and the Senator from Montana (Mr. MURPHY), I submit, for appropriate reference, an amendment to S. 1886, which I believe will make it possible for the Federal Communications Commission to foster truly local, free television systems, and at the same time allow for the development of community antenna television systems, or boosters, when local services are not established.

The amendment provides that the FCC shall be required to deny licenses to community antennas or boosters—and microwave facilities whose primary purpose is to serve community antennas or boosters—in situations where the grant of the authorization would adversely affect the operation or maintenance of a regular local television station which would originate television programs.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Interstate and Foreign Commerce.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1960—AMENDMENT

Mr. SPARKMAN submitted an amendment, intended to be proposed by him, to the bill (H.R. 7454) making appro-