

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."<sup>10</sup>

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 tacticians 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."<sup>11</sup>

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 time is not 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 there 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 immense 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."<sup>12</sup>

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

<sup>11</sup> The Observer, Dec. 11, 1955.

<sup>12</sup> Cominform journal, November 25, 1955.

<sup>10</sup> Speech to Seventh Congress of Communist International, Verbatim Report No. 39, p. 1846.

nations and economic missions designed to establish what are now called "client 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 step 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 \$8,000,000,000 annually;

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

Whereas the removal of the 4¼ 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. MURRAY], 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 creation 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-