

UNITED STATES



OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 90th CONGRESS
SECOND SESSION

VOLUME 114—PART 9

APRIL 29, 1968, TO MAY 7, 1968

(PAGES 10823 TO 12218)

The Winner of the Veterans of Foreign Wars' Theme Contest in Rhode Island

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. ST GERMAIN. Mr. Speaker, each year the voice of democracy contest is conducted by the Veterans of Foreign Wars of the United States and its ladies auxiliary at which time some 35,000 school students participate for prizes which includes a \$5,000 scholarship.

The theme of this year's contest was, "Freedom's Challenge," and the winner from the State of Rhode Island was Miss Judith Snyder, of 277 Middle Highway, Barrington, R.I.

I believe that Miss Snyder's remarks are worthy of the attention of my colleagues. Therefore, at this time, Mr. Speaker, with unanimous consent, I insert into the Record the full text of Miss Snyder's eloquent theme:

FREEDOM'S CHALLENGE

To live or to exist, to prosper or to survive, to feel or to endure, to be recognized or to be trampled. This is the challenge which faces each and every individual—the challenge of freedom versus oppression.

As we walk along the winding path of life, we are sure to find many obstacles; but if this path leads to freedom and fulfillment, to liberty and justice, then we can endure. Our path of life is well trod and firmly established; but on its boundaries, and sometimes even blocking its way, we can see the twigs and branches of opposition. These are the hate groups, the extremists, the criminals, detractors, and subversives. These are the rocks and stones of poverty, ignorance, physical and moral cripples, and enemies from without. Yet somehow these obstacles are constantly being dealt with, and through the tangled mesh of branches on all sides of this path shines the light of freedom. With this light, we, as Americans and free individuals, are filled with the conviction that our nation is worth every sacrifice that we may be called upon to make.

The United States, a nation which has grown out of a wilderness; a nation which has never forgotten her flaming heritage—the heritage of a united people. The patriots, statesmen, and citizens of our country have never forsaken their ideals or convictions. They have striven for the fulfillment of the American dream and the dream of all free peoples everywhere—to have a united world and not just a United States.

Yet we are the fortunate ones. We have the privilege to live life as free individuals, to make our own decisions and to reap the benefits from our democratic society. But what about those who cannot bypass the obstacles on the winding path? What about those whose path is so narrow and so tangled that they are trapped and at a standstill? Their obstacles are not mere twigs or branches but whole forests—The Berlin Wall, the Iron Curtain, the barricades of oppression. It is our responsibility to see that the haze of doubt and hopelessness is removed from this path. Though it may take centuries to cut down the forest of oppression, we need not sit idle. For the torch of freedom continues to shine, and this shining light can penetrate even the blackest mesh.

We must never yield to the oppressors, we must never allow the obstacles to our path of life to mount up, to block our way, or to force us to step even for a moment off to the sidelines. For there we will become mired in the mud and will slowly

sink, helpless and unheard, into the swamp of oppression. We issue to all the plea for peace and the pledge of freedom. We pose a challenge to those nations whose torch of freedom has long since been extinguished and buried. We, of the United States of America, stand firm in our belief that we are a nation never to be excelled and never to be equalled.

The woods are lovely, dark and deep, but we have promises to keep, and miles to go before we sleep, and miles to go before we sleep."

So spoke Robert Frost and so, too, must we speak. For freedom is of the people, by the people, and for the people, and without the people it cannot stand. We must never forsake it, never mistrust it, and always believe in it; for without it, we are nothing more than a pebble on that infinite path of life. This is our country, our heritage, and our conviction, and let no force dare deprive us of it.

This, yes this, my fellow Americans, is freedom's challenge.

Changes in Eastern Europe

HON. WALTER F. MONDALE

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 30, 1968

Mr. MONDALE. Mr. President, changes are following one upon the other in Eastern Europe. In Rumania, Czechoslovakia, and Poland protests of several kinds have drawn the attention of the world to the clear efforts at greater independence from Russia and better relationships with the West.

West European nations and England are taking advantage of these changes to increase their exports. Their benefit from the lack of American competition is a loss to our exports felt by American businessmen and by our balance-of-payments position.

A London Times editorial and news article describe the East-West trade opportunities as they are seen in Britain. I ask unanimous consent that an editorial published in the London Times of March 23, 1968, and a news article entitled "Communist 'Thaw' Could Transform World Trade" published in the London Times of Monday, April 1, 1968, be printed in the Record.

There being no objection, the items were ordered to be printed in the Record, as follows:

[From the London Times, Mar. 23, 1968]

TIME FOR BUSINESSMEN TO PUSH EASTWARDS

As a trading nation Britain can only succeed by pushing at doors, whether they are ajar or, seemingly, firmly shut against her. It is high time a firm shove was given to the door leading to the Eastern block. President de Gaulle is already doing what he can to pick the lock.

British trade can be expanded slowly and painfully along the traditional channels to Europe, the Commonwealth, the developing nations and the United States. Nowhere in dealings with these countries are opportunities likely to appear for a new British trade bonanza.

On the other hand the Eastern block is there, a fruit ready for the plucking. The first Western nations to enter into concerted multilateral trading arrangements on a substantial and regular basis with the East will be able to boast the greatest leap forward

in international trading in all the post-war years.

Last year Britain's imports from Russia were worth £123m. Exports to Russia of £63m. nowhere near redressed the balance. Imports from Poland were worth £56m. against £48m. exports; imports from east Germany £12m. compared with £13m. exports; imports from Hungary £9m. against £12m. exports; imports from Rumania £25m. against £9m. exports; and imports from Czechoslovakia £20m. compared with exports of £13m. This is small business between big countries; furthermore, the balance of trade is decidedly against Britain.

Britain admittedly has been working harder than most other Western nations in the East block market recently. The massive Polyspinners deal with Russia for chemicals and textile plants was directed in its financial aspects by the Export Credits Guarantee Department so astutely that Britain found herself a pacemaker for this kind of business between East and West.

What is needed now is real nerve in British Government and industrial circles to push that door to the East wide open. The time is propitious. Recent events in east Europe have all pointed towards new opportunities arising there for the business managers to enjoy much greater freedom in their trading with the West. The latest example is the statement by Jaromir Balcar, the vice-president of the Czechoslovak Chamber of Commerce, who has been leading an industrial delegation to Britain, that his country is looking towards full convertibility for the Czechoslovak Crown.

That has great significance for East-West trade. Even the most energetic British exporters to the East share serious doubts about ever managing really big business while the East-block currencies remain non-convertible and trade is constrained by the tram-lines of a series of bilateral agreements. But the Czechoslovak proposition opens up a new vista of multilateral trading in the widest possible sense across all Europe and into Russia as well.

Already the methods of trading between East and West have discarded much of their former formality. The monolithic state trading organizations of the East block have been effectively superseded by managers working to the profit motive once again and thus anxious to keep their trading arrangements in their own hands. Given freer currency arrangements suitable for multilateral trading, these new men of the East and British businessmen can together look towards trading horizons so wide that, as yet, they are still dreams.

[From the London Times, Apr. 1, 1968]

MICHAEL SHANKS SEES A BREAKTHROUGH IN EASTERN EUROPE: COMMUNIST "THAW" COULD TRANSFORM WORLD TRADE

Two spectres haunt the capitalist world today—the threat of a world monetary breakdown and the danger of a world trading recession. But, from an unlikely and hitherto little-noticed quarter, relief may be at hand. Capitalism may be about to get a substantial fillip from Communist east Europe.

Much has been written in recent months about the "thaw" in eastern Europe, now reaching such a remarkable culmination in Czechoslovakia. There has been a good deal of academic discussion about the problems of applying incentives, a free price mechanism and the profit motive to a fully-planned economy—and more recently there has been much interest in the west in the political and cultural aspects of the struggle for reform in these countries.

But there has been very little consideration what all this might mean for the future of world trade and investment. Yet I believe these consequences could be profound and beneficial.

Much of postwar economic history can be explained in terms of 10-year time-lags. The mass consumer spending revolution, which reached the United States in the late forties and western Europe in the late fifties, has now in the late sixties begun to reach eastern Europe (including the Soviet Union). These countries are therefore poised on the brink of the great upsurge in consumer spending and living standards, the breakthrough to affluence, which has transformed western Europe and Japan in the last decade.

If history repeats itself, therefore, eastern Europe could provide something of the same kind of expansionary impetus to the world economy that the west European "miracles" have already done—and at the same time provide a substantial new market for western capital and consumer goods which could at least help to offset the reduction in world purchasing power if the Anglo-Saxon nations succeed in ending their payments deficits.

Is this a real prospect, or a pipe dream? Certainly until a few years ago it looked as if political forces in the Communist world would prevent the natural process of evolution taking place.

But in all countries in the Soviet bloc, the strains of operating a controlled economy with the ending of scarcities and a widening range of consumer choice have been posing increasing problems—just as in Britain at the beginning of the fifties. The result was a growing misallocation of resources and a slowing-down in the rate of expansion through inadequate market orientation, seen at its worst in Czechoslovakia.

The eastern European countries have faced a second economic problem, too, which has grown increasingly irksome and with which we in Britain should have some sympathy. These countries desperately need the opportunities and the disciplines of a common market. This need applies particularly to the more advanced countries which cannot exploit the economies of large-scale production within the limits of their comparatively small home markets.

The only country in the group to which this limitation does not apply is the U.S.S.R.

Unless the Czechs, Hungarians, east Germans and Poles can find some way of establishing more specialized economies geared to international markets they are in danger of missing out on a whole range of modern industries from cars to computers.

The Communist authorities have not been blind to the dangers of autarky and the advantages of specialization, and they have tried to solve the problem by integrating the national plants of the countries concerned through Comecon. This has worked reasonably well for commodities and basic materials, but very badly for manufactures.

The reason is that under the Comecon system agreements to concentrate production in a single member-country are political decisions between governments and not a function of competition and market forces. No government has been willing except in special conditions to relinquish claims to a potentially important industrial activity—least of all those in a relatively under-developed condition and therefore most anxious to build up their industrial base.

The failure of Comecon, compared with the success of the west European Common Market, has incidentally rather alarming implications for the mooted European Technological Community.

For as Jean-Jacques Servan-Schreiber points out in *Le Défi Américain*, Europe cannot establish a viable technological rivalry to the United States simply by removing obstacles to internal trade à la Treaty of Rome. What will be needed is definite governmental agreements to concentrate research, development and production for a European-wide market in particular locations and countries. If Comecon is any guide, this will be a very slow and frustrating exercise.

For these reasons, partly internal, partly external, the postwar political-economic system of the east European countries has reached a dead end. In their efforts to find a way out of the maze, different countries have followed different routes. The Polish attempt to give priority to political and cultural relaxation has run on to the rocks because the country's leaders could not deliver the economic goods.

The Czechs, following a more Marxist logic, have given primacy to economic liberalization, and in doing so have demonstrated that to be effective economic reform must lead to political changes. If only because the existing politically appointed cadre of industrial managers lack the competence to operate a commercially oriented economy. In the planned economies of eastern Europe a change from sellers' to buyers' market, from production to marketing orientation, has explosive political implications. It involves a managerial revolution and in these countries political and industrial management are inextricably intertwined.

Where the Czechs have led, it looks as if the Hungarians and then the Poles must follow—and what then will happen to isolated east Germany? One of the first consequences is likely to be a liberalization of foreign trade relations and the evolution of a common market in some form between at least the more advanced east European nations perhaps including Yugoslavia. At the same time there will almost certainly be a marked increase in trade in consumer goods with the west. General de Gaulle's vision of a Europe united "from the Atlantic to the Urals" will have moved at least one step nearer to reality.

This, at any rate, is the direction in which market forces are pressing. There is a huge unsatisfied demand for western consumer goods, capital and know-how in eastern Europe. If the political barriers are removed, as now seems increasingly likely, the only remaining question—and it is a very big one—is whether the Communist countries will be able to pay for the imports they need.

This may be less of a problem than appears at first sight. Certainly these countries' shortage of foreign exchange today is acute. But if political confidence can be established they should be quite attractive outlets for capital investment. In almost every case they have very well-developed infrastructures and intelligent and well-educated labour forces with a strong technological element.

They should, in short, be good investments for western capital. Their need for outside capital is very apparent to these countries. There has been a sharp increase in recent years in know-how agreements and turnkey contracts (in Russia as much as in the smaller countries), culminating in plans for the establishment of complete assembly plants as in the Fiat and Renault agreements. Moreover, Czechoslovakia has let it be known that she is considering applying for readmission to the International Monetary Fund and for an international governmental loan. The prospect is intriguing. Will an I.M.F. team of Chicago-educated economists descent on Prague to vet the Five-Year Plan of a Czech Minister of Finance for capitalist orthodoxy? Well, stranger things have happened in recent years.

There seems at least a reasonable chance, in fact, that during the next few years we shall see a major increase in western exports to, and investment in, eastern Europe—and this process will probably extend also to the Soviet Union itself. This will not only provide a welcome stimulus to world economic development; it should also help to reduce international political tension, at least in the community of white peoples.

The caveat is crucial. If the forces of economic change and technology are reducing the gap between the white nations, Communist and non-Communist, they are, I fear,

widening the gap between these nations and the non-white, non-industrialized countries, Communist and non-Communist alike. The "North-South" divide is widening as a result of these forces.

Modern technology is increasingly providing manufactured substitutes for the traditional commodity exports of the developing countries and the rapid productivity increases in western farming (likely soon to be reproduced in the Communist countries, with the belated spread of fertilizers and the retreat from collectivization) is making inroads into the other traditional field of developing country exports.

In short, the traditional pattern of world trade is breaking down and we need to replace it with a new one in which the developing nations are enabled to export manufactured goods. Is there any sign of this happening? The dreary and apparently fruitless proceedings of the U.N. Conference on Trade and Development in New Delhi give little ground for optimism.

Murphy's Invitation to Violence

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 1968

Mr. RARICK. Mr. Speaker, Patrick Murphy's statement that he would "resign" if he were instructed to order Washington, D.C., officers to shoot looters and arsonists in a riot should incense all Americans to demand his immediate ouster. He now constitutes a symbol of public unsafety.

First, he publicly gives notice that he is a quitter and will surrender to the criminal forces under fire.

Second, he already admits his complicity in the great loss of life and damage because of personal lack of courage and leadership to carry out his sworn duties to maintain law and order.

Third, he is notifying every citizen in the District and the Nation that he will perform no differently in any future attack on our Nation's Capital.

Fourth, he has just given the green light to every disloyal extremist, criminal, and Communist to take over Washington, D.C.; that all the next wave of looters and rioters need to avoid arrest is to be able to outrun the officers and escape the fury of the already outraged citizenry.

The American people can no longer sit idly by trusting leadership which telegraphs the surrender code.

We must get the cowards and weaklings off the front lines. It is time to put Americans in charge.

Our citizens and our police are entitled to full unbridled, unprejudiced leadership. All who profess conscientious objection, morality, and permit their personal whims to control their duty and responsibility must resign or be relieved as unfit when they threaten our security. At a crucial time like this we need law-enforcement officers—not information and tour agents.

Our leadership must be told that our police force, like our military forces in South Vietnam, must counteract violence and violent movements with counterviolence.