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Produced by LAWRENCE E. SPIVAK

Guest: THE HONORABLE JOHN A. GRONOUSKI
United States Ambassador to Poland

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ROBERT GORALSKI, *NBC News*
SYDNEY GRUSON, *The New York Times*
LAWRENCE E. SPIVAK, *Permanent Panel Member*

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M E E T T H E P R E S S

MR. RASH: Our guest today on MEET THE PRESS is the United States Ambassador to Poland, John A. Gronouski. He returned to this country on Thursday for the first time since his appointment for consultation with the President and the Secretary of State. Ambassador Gronouski was formerly the United States Postmaster General and also was a Professor of Public Finance. We will have the first questions now from Mr. Lawrence E. Spivak, the permanent member of the MEET THE PRESS Panel.

MR. SPIVAK: Mr. Ambassador, it has been reported that one of the major reasons you returned to this country was to help present the case for expanding trade with the eastern Communist countries. Could you tell us whether that report is true?

AMBASSADOR GRONOUSKI: As a matter of fact, I came back to discuss a whole panorama of questions. One matter that I am very interested in is the question of expanding trade. I think it is quite an important issue.

MR. SPIVAK: The President announced the other day that he would soon submit to Congress legislation to promote trade between the United States and other Communist countries in eastern Europe. I take it you favor such legislation?

AMBASSADOR GRONOUSKI: Very much so.

MR. SPIVAK: The United States has given considerable aid and has had the most-favored-nation trade with Poland. What would you say, from your observation in Poland, that we would gain from that trade?

AMBASSADOR GRONOUSKI: In the first place, we haven't given aid except in a particular instance of a hospital that was specially passed. Poland does not qualify for aid, but we have

under the P.L. 480 program given them long term credits up to 1964. The gain, of course, has to be measured in terms of the long run policy objectives.

We have developed with Poland a whole panorama of exchanges of various sorts, exchanges on the cultural level; we have developed a very substantial expanding trade. In the country of Poland there is developing, I think, a substantial liberalization of their economy, and I think it is important to them to have trade with the United States and Western Europe in order to develop along these lines.

MR. SPIVAK: Do you think this liberalization has come as a result of our trade and of whatever aid we have given to them? You say we haven't given them aid. Haven't they gotten a great deal of American wheat?

AMBASSADOR GRONOUSKI: They have gotten it through loans and, starting in 1967 there are dollar repayments, and starting in 1967 they are starting to pay it back.

Poland is different than most of the other countries where we have used the P.L. 480 program in that in the case of Poland and only Poland—at least I think it is only Poland—all of the P.L. 480 loans are repayable in dollars. There is a distinction.

MR. SPIVAK: Do you say that some of the aid and some of the trade has helped liberalize the regimes?

AMBASSADOR GRONOUSKI: I think what the problem is is that in a developing country—and Poland is a developing country—after World War II they were pretty well out of business. Warsaw was 87 percent smashed, and so on. In a developing country it is important, if they are going to develop their economy along what I regard as reasonably liberal lines, they must have some elbow room, and one of the things they need, I think, in this development, if they are going to move along liberal lines, is the access to western trade sources.

So I think it is part of the package.

MR. SPIVAK: But Poland has had access, and hasn't the regime become stricter and hasn't it become tighter, hasn't there been less liberalization since 1956 in Poland rather than more, despite the fact that we have traded with it?

AMBASSADOR GRONOUSKI: I think as a matter of fact in the case of the economic structure of Poland, as well as some of the other Eastern European countries, there has been a very substantial development of ideas and plans which in my judgment lead toward a positive liberalization of the economy, such as for example in the present discussions and the present plans in the next Five-Year Plan of the Polish government. They are talking in terms of utilization of profits as a measure of productivity. This is something you wouldn't have heard of I think a few years back. They are talking about utilization of the market structure as a means of distribution and pricing. They are talking about decentralization, and they are experimenting with decentraliza-

tion at the factory level in the development of their economy.

I think these are all for the good.

MR. SPIVAK: But hasn't liberalization of the economy come as a result of hardships, economic hardships, that the people themselves have had, and when we give them aid of any kind or when we trade with them, don't we help the regimes rather than the people themselves?

AMBASSADOR GRONOUSKI: My feeling is just the opposite. My feeling is simply this, that as an economy develops and as the people get a greater desire for consumer goods, there is more and more internal pressure for liberalization of the economy. For example, historically the measure of productivity is quantity. Now the people are not just talking about shoes, they are talking about what kind of shoes. All along the line these same questions come up. As you develop foreign trade, it is almost impossible for the Eastern European countries to trade with the West unless they have very high quality goods. This requires decision-making at the level of the plant management. This requires, in my judgment, a development of a process by which the plant manager at the local level gets much more autonomy in his decision-making. I think all of these things are in the general interests of the United States.

MR. CHILDS: Ambassador Gronouski, I would like to follow up Mr. Spivak's question. You want the favored-nation status for all the satellite countries that do not now have it, but do you in fact believe this can really increase very much the trade between the United States and these countries?

AMBASSADOR GRONOUSKI: I just qualify what you observe—just to say what I am interested in is having the President have the option to negotiate trade relationships with each of these nations and have the option to extend most-favored-nations if we think it is in our interests. Right now, except in the case of Poland and Yugoslavia, where we now grant most-favored-nations treatment, he does not have that option. I am not suggesting we do it *carte blanche* but rather have this as a tool in the Presidents' tool box.

MR. CHILDS: Poland has had this favored nations status for several years. Has it made any very material increase in the trade between the United States and Poland?

AMBASSADOR GRONOUSKI: Very substantial. Actually, the trade between the United States and Poland has, since 1953, I think—I can remember the figure in '53—the exports from Poland were about \$14 million. They are about \$66 million in the last year.

The United States exports to Poland have been over this period in excess of our imports from them.

MR. CHILDS: As I understand it, most of this increase in what they send here has been in hams and pork products. We have these huge agricultural surpluses. What do your farmers

out in the middle west think about taking more hams and pork products into this country?

AMBASSADOR GRONOUSKI: I have talked to some good friends of mine in the business, and they say in terms of attitude, they have to express concern, but it is a drop in the bucket, and it really doesn't have any great impact, but more than that, what is important—as we develop trade two things happen:

In the first place, we sell as well as—we sell to them as well as their selling to us and, secondly and more importantly I think, we increase the possibilities of a lessening of tensions, increase the possibilities of a better climate between East and West. And if we are not working for that, we are not working for anything.

MR. CHILDS: You have just made a swing around those satellite countries, Mr. Ambassador. Did you see much sign of their desire to sell, and what do they have to sell to us?

AMBASSADOR GRONOUSKI: As a matter of fact, there isn't one country that I visited in Eastern Europe—I visited four besides Poland—that isn't very interested in developing trade with the United States in varying degrees of intensity of desire.

Also, within at least in two of these countries, Czechoslovakia and Hungary, there is great discussion going on now about the kinds of internal changes in economic systems that I mentioned in respect to Poland.

I can't tell you specifically what they want to sell. I know Bulgaria would like to sell tobacco and thinks they could, if they had the most-favored-nations.

MR. GRUSON: Mr. Ambassador, you have talked so far about economic liberalization in Eastern Europe. In 1956 and '57 we, the United States, that is, was very vitally concerned in the liberalization of cultural freedoms and personal freedoms without saying our trade should have conditions attached on these things, what has been the position on the liberalization of cultural freedoms throughout Eastern Europe and particularly in Poland? Hasn't it gone backwards?

AMBASSADOR GRONOUSKI: It is spotty, and it goes backwards one day and forward another. It is very hard to read it.

I might make this point—and I think it has gone forward far more rapidly in Poland than anywhere else in Eastern Europe. I think this is a very clear-cut distinction, and again I don't know the reasons for that. I am not saying the most-favored-nation clause did this. There are a lot of internal factors involved, but I would say this, even though we do have from time to time very serious setbacks, that I think in Poland and elsewhere, on this score, nonetheless there has been—over time there has been a fairly substantial development in the area of free expression.

For instance, in Poland we have, despite the problems we have in the church-state relations now, and they are serious, nonethe-

less, we have a very vigorous and vital church in Poland, the only place in Eastern Europe that that is a fact. We have very good contact at our homes and at their homes with people at all levels in Polish life.

I am not suggesting that, in terms of what we in America think is freedom, there is freedom in Poland, but I say there has been, I think, a substantial lessening of the pressures.

MR. GRUSON: Mr. Ambassador, switching subjects, there is an argument made, particularly in France, by de Gaulle at least, and supported by some people in this country, that the time has come to wind up the Warsaw Pact and NATO in the hope of achieving a broader European unity between East and West. Is the point valid? Have you seen anything in Eastern Europe in your travels there to indicate that such a unity between East and Western Europe is possible?

AMBASSADOR GRONOUSKI: I think that would be disastrous.

MR. GRUSON: Disastrous in what way?

AMBASSADOR GRONOUSKI: In that I think we haven't reached the point where the defense of Europe and the general policy of European-American relations vis-a-vis Eastern Europe and Russia, leave us feeling so free that we can say, "Well, NATO is not important." I think NATO is vitally important at this stage in history.

MR. GORALSKI: Mr. Ambassador, you mentioned church-state relations a minute ago. During the recent celebration on the millenium of Christianity in Poland it was quite obvious that the relations between the Church and the State are going down hill. Do you foresee any possible accommodation between the Roman Catholic Church and the government in Warsaw?

AMBASSADOR GRONOUSKI: Of course 1966 is a particular year, a millenium year, a thousand years of Christianity in Poland, a thousand years of Polish culture. And there is real competition going on between the Church and State vis-a-vis that, and as I have expressed it before, I think it is most unfortunate, and I personally think it is bad policy that the Polish government has been restrictive toward American Bishops coming there, the Pope coming there and this sort of thing.

But let's look at this in terms of the long run context. Despite the fact that in this critical year there is a very solid conflict going on between Church and State, we still have a very vigorous Church going on, and I think after '66 passes, after 1966 passes, we will continue to have a vigorous and effective Church in Poland. And this is rather unique. It is completely unique in Eastern Europe.

MR. GORALSKI: Is the Catholic Church a political force in Poland today?

AMBASSADOR GRONOUSKI: Only in the sense, I suppose—and this is one of the areas of controversy—the State claims

that the Church is delving into politics, and this is not the role of the Church. But I will speak more broadly. I think it is a political force in that it is a very vigorous area of expression. Sometimes an expression that isn't consonant with the State's expression. It is a very vigorous force in Poland.

MR. SPIVAK: Mr. Ambassador, Warsaw is the only place in the world where the United States and Communist China officially talk with one another, and you are the top official who has been talking to the Chinese Communists.

Do you think these talks perform a useful purpose for the United States?

AMBASSADOR GRONOUSKI: I am getting back on the 25th for my third one. I think they form a very useful purpose. In the first place, I think it is important that they are going on. You can't ignore 750 million people in the world, and I think it is vitally important that we have this line of communication.

Secondly I think it is important because at various times in the past and possibly in the future we will be able to effectively present our position and understand their position better on particular issues and avoid misunderstandings. I think they are important also because from time to time they provide a forum to put forth ideas which could reduce some of the tensions, and I think even though we haven't been terribly successful in getting these ideas accepted, I think it is good to have this forum to discuss these ideas.

MR. SPIVAK: Haven't these talks been mostly about settling the war in Korea?

AMBASSADOR GRONOUSKI: May I make the point that we operate on rather strict ground rules in these talks, and I have just expressed my interest in them as a continuing thing. The ground rules, of course are that we cannot divulge the specifics of the talks—

MR. SPIVAK: We don't want to get specifics, but we like to get general areas. As I understand most of these talks in the past have been to get some settlement on Korea. Is that what you have been talking to them about?

AMBASSADOR GRONOUSKI: There isn't any subject that is significant between East and West, and particularly between China and our country, that hasn't come up in the talks.

MR. SPIVAK: Then you feel free to talk about Vietnam for example or about—

AMBASSADOR GRONOUSKI: One thing about the talks, which I think is very good, is that there is no fixed agenda. Whatever they think is important to bring up they bring up, and whatever I think and the Department thinks is important we do. We are free to talk about Vietnam, we are free to talk about Formosa, we are free to talk about anything we want to talk about.

MR. SPIVAK: Again without attempting to pry, I take it you have been talking about Vietnam?

AMBASSADOR GRONOUSKI: It is a reasonable assumption that this is one of the important issues that is going on between China and us.

MR. SPIVAK: Mr. Ambassador, it has been reported that you have a number of new ideas for approaches to these conferences with the Chinese Communists in Warsaw. Is there anything you can tell us about the new approaches that you—

AMBASSADOR GRONOUSKI: What I said—I read that story myself. What I think I said, but you are never sure, is that I want—as you know, in the Department there is a very serious analyses going on today, not only within the Department and agencies of government, but also calling upon outside people. It has been going on for some time, discussing the whole Chinese-American relations, and it was in that context that I wanted to come back in that area and get into that discussion. It was in that context I made that point.

MR. CHILDS: You were reported, Mr. Ambassador, as expressing satisfaction that Gomulka in his May Day statement on Vietnam was comparatively moderate. I know there are no Gallup Polls in Poland, but do you think the Polish people are on the side of the United States or with their government?

AMBASSADOR GRONOUSKI: As Ambassador to Poland, I don't think this is something I really should get into, although I may make the point that I found just an overwhelming feeling of friendship toward myself and toward other Americans in Poland.

MR. CHILDS: You don't think Vietnam has colored this?

AMBASSADOR GRONOUSKI: I think Vietnam is a somewhat depressing issue, but I don't think that it has dimmed the friendship of the Polish people for the American people. They all have relatives here, you know.

MR. CHILDS: We see Cardinal Wyszynski in our newspapers and on television very frequently. Does he have a popular hold on the Polish people?

AMBASSADOR GRONOUSKI: I think he is very popular in Poland, yes. I think the government officials say the same.

MR. GRUSON: Mr. Ambassador, we have been trying to make bits and pieces, as it were, of agreements with Eastern Europe. Is there any chance of a meaningful agreement with Eastern Europe as long as Eastern Europe's relations with West Germany are not settled and, if so, how can we help in this question?

AMBASSADOR GRONOUSKI: I think what we have to do is realize that in the long pull you reduce tensions not by solving everything at once, but by going bits at a time. I think the development of cultural relations with these countries individually, I think the development of exchanges of professors and students, I think the development of trade, all tend toward lessening the tensions and making it possible to solve some of these problems.

But the Central European question is, of course, a very critical question and is a very real roadblock.

MR. GRUSON: What are you able to tell the Poles, for example, about how the United States feels about the Eastern frontier of Germany and Poland?

AMBASSADOR GRONOUSKI: The Oder-Neisse Line, of course, is always a question that comes up in our own internal conversations and in conversations with the Poles.

The point I make on the frontier question is that certainly it is only one of many central European questions. It is not even the most fundamental question. It is a question of reunification of Germany; there is the border question, there is a question of disarmament, there is a question of nuclear proliferation. All of these questions are part of a package and what we ought to be doing with West Germany and with the NATO countries and with the United States, would be developing along the lines of solving all of these questions.

MR. GRUSON: Based on your experience in Poland so far, Mr. Ambassador, do you think you can ever get this package until the Poles have the kind of assurances they can believe about that frontier with Germany?

AMBASSADOR GRONOUSKI: I have a real hunch that the Poles aren't terribly worried about their frontier changing. That is my own reaction to their conversations.

MR. GORALSKI: Mr. Ambassador, the North Atlantic Treaty Organization, as you know, is going through a problem period now in the matter of sharing nuclear responsibilities. There are some who advocate that the Germans be given at least a partial responsibility, ability of a finger on the button. How frightened are the Poles of the problem within NATO and the possibility of the Germans having such a responsibility in the light of Polish-German history?

AMBASSADOR GRONOUSKI: There is no question the Poles are genuinely concerned about the Germans. World War II had a very deep impact on Poland, both in terms of destruction of property and the fact that about five million or more Poles died as a result of the war.

I think we have to read the government's attitude as reflecting the people's attitude in terms of the fear and concern of Germany.

That is one question. I forgot the second part of your question.

MR. GORALSKI: It was basically, what is the attitude of not only the government, but the people themselves toward a re-armed, a growing, a more powerful Germany?

AMBASSADOR GRONOUSKI: I think the church, the people and the government, and perhaps all of Poles in America—

MR. GORALSKI: There is unanimity on this one particular point?

AMBASSADOR GRONOUSKI: It is the one area where I think there is unanimity.

MR. RASH: May I say we just have a little more than two minutes left.

MR. SPIVAK: Generally, in your observation in Poland and the other eastern Communist countries, would you say that Communism among the people is growing stronger or weaker?

AMBASSADOR GRONOUSKI: It is very difficult to measure this, but with the development of the young children going through colleges, coming out of colleges, my feeling is that the younger people are not particularly ideologically bent in any way as much as the older people, but it is very hard to read that. This is a very flimsy guess.

MR. SPIVAK: You said a minute ago, I believe, that you thought these contacts with the Chinese Communists are very useful, and I gather you think that it is a good idea to expand them. Is that correct?

AMBASSADOR GRONOUSKI: To expand them in what—I would be very happy if one day I lived to see the day they were held in the Secretary of State's office.

MR. SPIVAK: Would you at this particular point be in favor of recognition of Communist China and of really expanding talks with them and dealings with them in all ways?

AMBASSADOR GRONOUSKI: I don't think we are anywhere near that point. I think that—

MR. SPIVAK: I was asking for your opinion; I know we are not near the point.

AMBASSADOR GRONOUSKI: I don't think today, no.

MR. CHILDS: Mr. Ambassador, I am sure you did your very best to get the visas for the American Bishops to go to the Millenium celebration. What were you told when those visas were denied?

AMBASSADOR GRONOUSKI: Essentially the basic point was that the affair in Czechoslovakia was going to be an anti-state demonstration, that the 300 or so Bishops coming from around the world would be coming in mostly on diplomatic passports and it would be very embarrassing for the state to have that group at Czestochowa at an anti-state demonstration. I am expressing what they told me. I am not expressing my own feelings, which are different.

MR. GRUSON: Mr. Ambassador, is the degree of independence that the Eastern European countries have achieved from the Soviet Union growing or diminishing?

AMBASSADOR GRONOUSKI: They very much—except for Romania, they very much follow the foreign policy prescription of the Soviet Union, and I don't think this is going to change. I think though there is a wide variety of experimentation on the economic and cultural levels among these countries.

MR. RASH: I am sorry to interrupt, but our time is up.

Thank you, Ambassador Gronouski, for being with us today on MEET THE PRESS.

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