

Washington, Moscow Had Similar Problems in '62

By SID MOODY
Of the Associated Press

If the White House-Kremlin tie line is ever installed, it might be a busy one.

For when Khrushchev is up pacing the floor, chances are President Kennedy is, too. They both have the same problems.

A review of the leading stories of 1962 shows anew that most of the major ones involved both the United States and Soviet Russia.

Cuba, space, Berlin, disarmament, nuclear testing, South Viet Nam, India's border war with China—they caused headaches in Moscow and Washington.

Even stories that seem at first of purely domestic concern had overtones that touched the opposite capital. Russia used the stock market crash of last May and the Oxford riots over James Meredith to document its propaganda campaigns that the United States is awash with bigotry and Wall Street imperialists.

The United States, which produced record crops in 1962 to overflow the surplus bins even further, could hardly miss the significance of the Kremlin's admitted failure of its agricultural plans and the resultant shakeup of its bureaucracy.

And Washington, burdened with a chronic unemployment problem that lessened but still lingered in 1962, could take some comfort from the Russian announcement several months ago that 47,000 workers had found Siberia less than a good place to work and had walked off the job.

India was an embarrassment to both parties. Both Khrushchev and Kennedy found themselves offering arms to Nehru to resist the invasion of Russia's surly protégé, Communist China. This got Russia's Chinese ally mad and there was

1962 at the Capital

STEEL
Angry Kennedy calls back steel price increase.

ELECTION
Old-year vote has same small losers, few big winners.

DE AMSS
Troops quiet integration crisis in bloody outbreak at Oxford.

WALL ST.
Stocks plummet in worst crash since 1929.

S. YET NAM
Long jungle war drives growing US involvement.

a noticeable cooling by Pakistan towards Uncle Sam's stepped up weapons aid to the Nehru regime it mistrusts.

There was another meeting of minds between the Kremlin and the capital—a kind of cold war horse trade. The U.S. swapped Russian spy Rudolf Abel in exchange for U2 pilot Francis Gary Powers, who a few months later found himself in a divorce action with his wife.

The chronic sore point between the two great powers—Berlin—festered mightily during the early part of the year. It looked as though Russia finally intended to live up to its latest deadline to sign an East German peace treaty, thereby making a Berlin blockade a definite possibility. But the United States got there first with its own blockade, of Cuba, and the tough talk over Berlin faded into uneasy silence.

Russia and the U.S. dominated negotiations that finally

Between U.S., Poland

Economic, Political Relations in Trouble

By GENE KRAMER
Of the Associated Press

WARSAW, Poland—Relations between the United States and Poland could take a turn for the worse in 1963. The next few days or weeks may set the course.

One indication will be whether Poland pays its annual \$4 million installment on \$40 million in compensation for American private property nationalized in the Communist takeover.

The third annual payment is due the first week of January but the Warsaw government has not disclosed its exact intentions. Competent sources say Poland recently warned the United States it may default on the payments because of congressional action last fall affecting Polish exports to America.

Cancellation of the payment could start a downward spiral in the economic and political relations which have developed between America and Poland in recent years.

The Poles have accused the United States of bad faith because Congress included in the new foreign trade act a clause calling on the President to cancel tariff concessions, known as "most favored nation treatment" now granted Poland and Yugoslavia.

The concessions have not been revoked yet. There still appears to be a possibility that before taking too drastic action, the Poles might wait for another move by the U. S. administration or Congress.

Polish authorities contend U.S. negotiators morally obligated their government to grant Poland "most favored nation" treatment at the time the property claims agreement was worked out in 1959. There is no legal connection, however.

Several congressmen who visited Warsaw recently expressed

surprise at hearing U.S. officials talk of such a moral obligation. They said that while the Kennedy administration had opposed cancelling the trade concession for Poland and Yugoslavia, they had not been informed in Washington of any connection with the claims agreement.

Besides commercial trade, Poland is looking to America again as a source of wheat, needed particularly because of a bad 1962 harvest. After repeated delay, talks began in Washington in late November on a Polish request for new shipments of surplus wheat on long-term credit. Progress, if any, has not been announced.

Poland owes \$425 million for surplus U.S. foodstuffs imported since 1957 on 40-year credit. Officials say repayment, due to start in 1967, depends on opportunities for Poland to earn American dollars.

Polish exports to the United States have been growing steadily since 1960 and now run about \$40 million dollars a year. But Polish sources claim orders are leveling off, partly as a result of congressional hostility toward East-West trade and sporadic boycotts by U.S. anti-Communist groups.

Polish ham, a major export, would not be affected by the loss of "most favored nation treatment." But Polish officials say the change would hit bicycles and other simple machine goods they hope to move on the American market.

Crop failures and other economic troubles have prompted Poland's regime to give more emphasis than ever to boosting exports and conserving hard currency. A deterioration of U.S.-Polish economic relations thus would be certain to lower the modest degree of American influence with Warsaw.

K and K's COMMON HEADACHES

- CUBA
US-RUSSIA collide over Cuban missiles. Russia backs down.
- U2-SPY
Secret spy exchanges U2 pilot Powers for Red spy Abel.
- THE BOMB
Disarmament talks fail. Russia, US resume nuclear testing.
- BERLIN
Wall remains, but Russian-E. German treaty deadline dissolves.
- INDIA
Chinese-Indian border fight embarrases both Russia and US.
- SPACE
1962 score: US 3 astronauts, Russia 2 (both of same name).



WASHINGTON



MOSCOW

1962 at the Kremlin

FARM
Khrushchev admits farm programs fall short of goals.

PURGE
New faces emerge in post-Kremlin purge.

LABOR
47,000 walk off Siberian job; more capitalism urged.

SATELLITES
Shin, Red Chinese weaken satellite unity.

and radioed back closeup data.

Both Kennedy and Khrushchev had some governmental problems of their own. Kennedy found the going a little slow with Congress, asked for a more amenable one in the fall election and still wasn't sure he had got it when returns showed the Democrats retaining their numerical edge. Khrushchev solved his difficulties more typically. He purged — peaceably, this time—a number of Kremlin brass and gave some of the younger boys a chance to solve persistent farm and industrial problems.

If they had had their phone in during the year, K and K could have talked about the troubles they were having with those two agrarian reformers, Hao Tse-Tung and Billie Sol Estes—or what to make of the European Common Market or the Catholic Church's Ecumenical Council, or the revolt in Yemen or the purging of Stalinist Premier Anton Yugov in Bulgaria, or the strike of doctors in Saskatchewan.

Being a professed atheist Khrushchev might have good naturedly prodded the President a bit about the Supreme Court's ruling against a school prayer. Kennedy might have countered by asking whether Mikoyan really did call Castro a screwball.

And maybe they could have forgotten their cares for awhile—pondering the year's most

asked and least answered question:

What REALLY gives between Burton and Liz?

Franco Hikes Wage Scale

MADRID, Spain (AP)—Generalissimo Franco has nearly doubled the minimum wage of Spain's unskilled force. Now they'll make about 100 pesetas—\$1.66—a day.

Franco in a radio-television New Year's broadcast called for increased industrial production but warned that Spain could not hope to achieve wage parity with richer nations immediately.

Franco increased the minimum wage for the unskilled from 36 to 60 pesetas (80 cents to \$1). The minimum is boosted to about 100 pesetas by such supplements as three extra months pay a year, Sunday pay and vacation pay.

A government spokesman said the new scale would benefit 18 per cent of Spain's labor force of the nine million men and women. The National Economic Council announced per capita income in Spain rose 10.8 per cent in 1961.

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