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YEARS OF CRISIS

Sunday, December 29, 1957 4:00 - 5:00 P.M.

AWNOUNCER:

CBS News invites you to spend the next hour

with Edward R. Murrow and eight members of broadcasting's most distinguished

staff of news correspondents. This is the ninth edition of YEARS OF CRISIS

for which CES News has once again called in its correspondents from the

important news centers of the world. Here now is Edward R. Murrow.

MURROWs Each

Each year for nine years, CBS correspondents

have come home at about this time to try to east up a sort of national

balance sheet. Not even we have always been right. We sat around here

a couple of years ago discussing whether the title of this program, Years

of Crisis, was really appropriate. Well, this year it may be inadequate,

because we certainly have no shortage of crises. However, we will now

attempt to unleash a not too agonized reappraisal of where we stand as

the New Year is about to begin. Welcome home, gentlemen. I suggest

that first of all, you answer for me a very simple question briefly as

possible, and that is, what in your area happened that was basic, that

was pivotal, in the course of the last year. Let's start with Howard K.

Smith, who was for ten years our chief European correspondent, and is

now stationed in Washington. Howard.

SMITH:

Well, in Europe in 1957, I'm afraid that

neutralism became a doctrine with a future.

MURROW:

David Schoenbrun, based on Paris, spends a lot

of time in North Africa.

SCHOENERUN:

I think the initiative in NATO passed out of

America's hands into the hands of our allies.

MURROW:

Alex Kendrick, from London.

KENDRICK:

In Britain, Ed, we look like the second-class

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power that we have been saying the British look like.

MURROWS

Winston Burdett, based on Rome, spends a lot

of time in the Middle East.

BURDETT:

In the Middle East, the Eisenhower Doctrine

collided with the Khrushchev Doctrine.

MURROWS

Ernie Leiser, from West Germany.

LEISER:

in mid-Europe, Ed, this was the year that the

Soviets put a couple of satellites up into orbit and pulled the rest of their satellites back into orbit.

MURROW:

Pete Kalischer, based on Tokyo, just back from

a trip through Southeast Asia.

KALISCHER:

In 1957, Ed, was the year that Asian astrologers

cast their horoscopes by the light of two Russian moons.

MURROW:

Dan Schorr, from Moscow,

SCHORR:

In Russia, Ed, I think this was the year when

a dangerous inferiority complex was replaced by a possibly more dangerous superiority complex.

MURROWS

Eric Sevareid, chief of our Washington Bureau.

SEVAREID:

Ed, I think this year Americans lost considerable

faith both in their fighting apparatus and in their high command.

MURROWS

Well, gentlemen, this is not a very optimistic

opening, I would say, but let's examine now a little - how did it happen, how did we get ourselves in this fix? Schoenbrun.

SCHOENERUN:

The world's balance of power changed very

drastically this year. Russia outflanked us in the Middle East, outproduced us militarily, and our country, unfortunately, became vulnerable

to atomic attack.

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Now, as all of you gentlemen know, this situation is very different from that which existed when NATO was first created back in 1949 and it might be worthwhile looking backwards a little briefly to find out how we got here. Back then, we had an atomic monopoly and America was the invulnerable fortress of democracy, living pretty safely behind our wide ocean moats. Then everything began to change at about that time. We had a highly successful foreign policy, the Truman Doctrine and the Marshall Plan, the Russians couldn't attack us, they didn't dare attack our allies because of fear of instant atomic retaliation and I think we probably just fell asleep. We woke up pretty rapidly however, Ed. In the Fall of 1949, the Soviets exploded an atom bomb, in 153 - a hydrogen bomb, and then this year for the first time our one safe moats can now be spanned by missiles and our skies by Sputniks. That whole situation was so very different - today for example that American leadership of NATO, which was once willingly given to us in return for our protection, has now been challenged.

MURROU:

How'd we lose it?

that a balanced budget was more important than a balance of power - and a direct result of that was I think one of the most significant facts of this post-war era. President Eisenhower went to Paris as the first American statesman seeking security for our country, instead of offering it to our allies. We went there, Ed, you were with me in Paris, we went there to arm, to get missile bases. We were told instead to parley with the Russians. Now, East-West talks were not on the agenda of the NATO conference, not at least in the American plan. It was forced upon us. We did not lead; we were led. Why did this happen? Well, I think we

changed or failed to change with a changing world. And I think the man who told us why it happened was President Eisenhower himself at that same conference. He said we've been guilty of false habits of thought. We thought that the free system was inherently stronger at all times, and in all fields, to the Communist system. We thought we didn't have to work or pay for freedom. Gentlemen, I would suggest that this is what it's brought us to, the brink of the gravest threat to our freedom in

MURROW:

Winston Burdett, how do you think we got into

this fix?

our history.

Well, Ed, I think that if the past year has BURDETT: proven anything in my area, the Middle East, it is that something was fundamentally wrong somewhere in our mid-East policy. The Eisenhower Doctrine has not worked out. We went ahead on the premise that we could set up some kind of American protectorate over the Middle East by military means, that we could make anti-Communist allies of the Arab States and in this way exclude the Russians from the area. We proposed to extend the cold war to the Arab world and we ignored both the inherent weakness of the Arab States and the emotional backfire of Arab nationalism. We asked the Arabs to line up on our side, against the Russians, and in effect, we told them that they could get economic aid from us if they did. And this antagonized them. And in practice, we convinced them that our only desire was to dominate them instead of letting the Russians dominate them. In practice, I think we made one fatal mistake. We failed to keep calm in a crisis. When the Syrian Left-Wing regime took over our 6th Fleet sailed out on ostentatious maneuvers. A special envoy from Washington flew out on an emergency mission. And this proved

to the Arabs that we were more alarmed by what happened in Syria than they were and they took this as a sign of fear and weakness. They took it also as attempted interference in their affairs - and even friendly Arab governments had to come out and disavov us publicly on the ground that what happened in Syria was Syria's business. It's true of course that we face many psychological handicaps in the Arab world that the Russians don't have to face. Israel is the overriding issue of Arab nationalism and the Arabs look on us as Israel's champion. The worl... word 'imporialist' which both the Arabs and the Russians pin on us, still has a high emotional content in that part of the world. But for this reason, I think, we can't go on under-estimating the Arab capacity for violent emotional reactions. Our handling of the Syrian crisis, certainly, convinced the Syrians that their deal with Russia was a great victory for Arab nationalism and independence and a great defeat for noisy Western diplomacy.

MURROW:

From Pete Kalischer, as viewed from the Far Easts

how do we look?

well, when we lost our military pre-eminence, Ed, our bases there became more of a liability than an asset. We're not a member of the family in Asia, we're an alien Occidental nation and our leadership there has always been based primarily on power. We beat the Japanese, Asia's first team, during World War II, we kept a ... an edge, a military edge, thereafter, and then we lost our atomic monopoly. And the first big crack came, in our military reputation, when we didn't win the Korean war decisively. This enormously enhanced Red China's reputation and it put us in the position of not knowing exactly what to do. We didn't lick 'em, we didn't join 'em, and we certainly pretended more or less that they weren't there. Now, this was supposed to isolate our

... isolate Red China from the rest of the non-Communist world, but actually, all it did was isolate us. It made the American eagle look like an ostrich. Now, Asians are perfectly willing to go along with an eccentric eagle, as long as it is an eagle and it can lick anything in the sky. But when the Sputniks went up, the Asians decided that our military leadership had vanished.

MURROW: What did it feel like working in the Far East when you were not permitted to go to Communist China?

KALISCHER: Well, sir, pretty much like a fool. I mean - we sat there and watched our colleagues from Australia and Britain and Canada and Japan go in and out and we kept our noses pressed to the window.

MHRROW: Alright, let's find out from Dan Schorr what

the view is from Moscow. Dan.

I spent so much time in the past year, has been somewhat dim and clouded though one thing has become clear. The Sputnik which has been mentioned before was a symbol, a very great symbol although not the complete sum of what happened in Russia's dealings with the world this year. The Sputnik and of course the missile that made it possible to launch these two Sputniks, changed the power balance between Russia and the United States, if not actually then at least in their own minds, but had effects elsewhere as well. It had an effect on their control of the satellites. At the Kremlin Communist summit conference last month, the Sputnik was used as a symbol to cow the satellites and get them back into orbit, as Ernie Leiser mentioned. That they, in effect, hitched their wagon to this satellite up in the sky and used it to cow their earthbound satellites. And there're other effects in other areas. To the uncommitted

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nations they took this satellite and said we are now the country to come to for aid not the United States. And even internally it had very important effects, because in a ... in a country like Russia, which had two purges in the past year, and where Khrushchev's regime had a great many other troubles. He was able to use the Sputnik as a great attention distractor. He was able to tell the people 'don't look down here where we have troubles with crops, with our industrial reorganization and one thing or another, look up there in the sky and see our great achievements. MURROW:

Dan, did the Sputniks distract attention from

Marshal Zhukov's removal?

less attention given to Zhukov's removal in Russia than in the United States. But the second Sputnik, coming as it did the day after Zhukov's complete ouster, completely erased any idea of Zhukov from the minds of the Russians even if they were disposed to discuss anything quite as dangerous as that. In effect, what Khrushchev has begun practicing is something that we might call Sputnikmanship and he's practised it very successfully. That was Russia this past year.

MURROW: Well, Eric Sevareid, as viewed from Washington, how do we find ourselves in this position and posture?

SEVAREID: Well, Ed, we all get obsessed with government and I'm not willing to blame government for everything that goes wrong in a free democratic representative type of society. But we have to begin with government policy. It seems to me that we've seen over the years here a kind of a gradual, almost unconscious substitution of the word for the deed. Now, we have made rather binding verbal commitments all over this globe without really providing the flexible military

policy that would make them good in a pinch. I think we've suffered from a paralysis, at the base, a paralysis of both our military structure and organization and our strategic thinking by reason of the Dulles massive retaliation doctrine wedded to the Wilson-Humphrey economy-first policy. I think people have quite obviously been lulled almost asleep over the years with endless assurances of peace and prosperity and a normalcy which we shall certainly not see in our generation. The strange thing is that the government seems to have lulled itself with the same kind of wishful non-thinking. After all, it was just this Spring that the President was assuring us - and I'm sure he believed this quite sincerely that NATO had never been stronger, and this summer - that we could have a perfectly adequate defense for the \$38-billion ceiling. It was just this August that Secretary Wilson actually reduced the moneys for missile development. And all this in the teeth of what seems to most of us to have been very apparent intelligence information available to them as to everybody else. I have a feeling there has been a response here not to objective facts enough but too much to subjective illusions. For example, that public opinion and the supply of money in this country are fixed ceilings under which ... determine really what Government does instead of the other way around. And maybe more than just a technological lag, maybe a considerable breakdown, at least for a time, in ... in the great art of leading a great people.

MURROW: Well, gentlemen, we certainly have not a problem but a whole covey or clutch of problems. Let's see if we can define at least one or two of them. Alex Kendrick, you've spent the last two or three months studying the whole missile and weapons program, just how serious is our technological lag?

Well, it is serious. Ed. as Dan Schorr made it KENDRICK: quite plain. The two Soviet Sputniks were not accidental, they were planned that way. They show that in science and technology and perhaps even in their educational system, which backs up science and technology, the Russians are our equal in some respects and perhaps even ahead of us. Of course, in military terms - everybody should know by now - that the two Soviet Sputniks mean that the Russians can send a ballistic missile five thousand miles from their country to our country in less than a half hour. They can put a hydrogen warhead on this missile and it can cause widespread death and destruction. Now, it's true that they can't do this accurately enough yet - and our experts tell us that the Soviet ICEM is not yet operational. But the potential is there. And strategy is measured in terms of potential. And strategically, possession of the ICEM by the Russians would cancel out our strategic advantage, that is. our advantage up to this point, our long distance Air Force, SAC. Now, it's true that the Russians have a long distance air force too, their SAC, but with our warning system and our defense system we would have some protection against an attack by their long distance air force. If they attacked us with missiles we wouldn't have that protection. Now, it's also true that the missiles - without a defense - we can retaliate with SAC still. We can build up inter-continental missiles the way they are doing and the way we are doing and we may also be able to develop anti-missile missiles. But this doesn't remove that potential I was talking about, the potential that they have of making a direct strike against our cities.

MURROW: Isn't it true also, Alex, that they lead us in intermediate range missiles?

KENDRICK: Yes, they do - in two respects, because they are also building submarines which will be able to fire missiles and these submarines can come rather close to our shores and they can bring American cities under attack from short range distances rather than from long range distances.

SCHOENERUN: Well, Alex, they can also cancel out with their IREM's our European bases (inter.) ...

KENDRICK: Well, exactly - what Ed said - they are ahead of us in intermediate range missiles as well and this gives them the potential of attacking the cities of Western Europe, the cities of our allies, as well as our own cities.

SCHOENERUM: That's what made them so nervous at the Paris summit conference and so reluctant to give us launching pads in Europe itself.

KENDRICKS

Our allies you mean.

SCHOMIERUN:

Yes.

MURROW: Well, now gentlemen, we went to Paris hoping that we could get permission from our allies to plant these intermediate range missiles on their territory, but they seemed to be somewhat reluctant. Leiser, as viewed from Germany, what do you think our chances are of getting permission to place these missiles on the continent?

LEISER:

I'm not so sure we will, Ed. We, of course, extracted in Paris an agreement in principle to put those bases on the continent, but actually in practice a good many of our allies only were willing to have those bases on somebody else's part of the continent.

The West German newspapers for example have been busily printing maps to show that it really doesn't make much sense to have the bases on

German soil. They say that the only additional area brought into target range is a slice of tundra some place northeast of Leningrad. The idea seems to be 'put the bases in Turkey or in Greece' any place but on our soil. Well, of course, this is quite a change from a couple of years ago when our allies were clamoring that we were depriving them of the modern weapons that they needed to protect their territories. Now for the first time we went to Paris and we asked them to accept the missiles or at least give us the real estate to put them on in order to help protect American soil. And, actually, there's another very remarkable change of scene from my point of view, the man who seemed to focus the reluctance to accept the missiles was old Konrad Adenauer, who up to now has been our most obedient ally, I think, you might say... (inter.)

SCHOENERUN: Unquestioning.

LEISER:

... who has - spy (laughter) - anyhow, he certainly has been a rock of support for the Dulles doctrine of positions of strength. Well, at this meeting, the Europeans and particularly the Germans felt that he was the leader of opposition to Dulles. In fact, in Bonn after the Paris conference, the joke was that the German national anthem should be changed from "Deutschland Weber Alles" to "Deutschland Weber Dulles."

MURROW: Well, it's true that Adenauer led the procession demanding new parleys with the Russians but he was almost trampled by our other allies who were equally eager.

Howard Smith, one of the great advantages of being a chief correspondent is that you can wander about anywhere you like and you've been doing that for the last ten years, why don't you sum up now the political repercussions of Sputnik?

Well, I think the problem that Sputnik creates SMITH: for us outside our oun borders has to be divided into two, the uncommitted world - about two-thirds of the world, and the Western allied nations. To take the uncommitted countries first, we've always suffered from an advantage in dealing with them because Russia has no history in Asia and Africa and the Middle East while the Western white man does. Until recently, most of these peoples were subjects of Western empires and so their resentment and suspicion are fresh and sharp and so ... and also they don't distinguish between Europeans, who live in Europe, and Europeans, who over the centuries have emigrated and call themselves Americans. We're all the seme to them. So in any competition for their favor we're like a mile runner who's forced to start every race a quarter mile behind the Russian opponent. Well, now since Sputnik I think our disadvantage has become greater because the main material aspiration of these people is to industrialize their countries rapidly and here they see the ... to them, hopeful image of a country, Russia, almost as under-developed as they were a short while ago, is today able to beat the most advanced Western white nation at putting an earth satellite into orbit. This is just bound to make them more receptive to approaches from the Russians and less receptive to approaches from us. One of our major mis... miscalculations, MURROW: wasn't it, that we assumed that a backward people could not skip whole generations or centuries in technological development and progress. I think the floor is lite... littered with SMTTH: fragments of that il... (laughter) ... Well, now, in the (inter.) ... sorry ... Howard, wouldn't you agree that the Cairo SCHOENERUN:

conference this week is a particular example of Russia's political and

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economic appeal to the uncommitted nations, that they now can at least promise to export aid and technology to those ... (inter.)

Absolutely. I think it's a perfect example SMTTH: of the way they're trying to exploit Sputnik. But now about the Western European allied countries, the problem's somewhat different. They're not so interested in the Sputnik as they are in the mighty missile that put a half ton Sputnik in the air. As Alex Kendrick said - that implies that Russia is now ahead of us in a new field of weapons whereby the Russians can destroy Western Europe much more efficiently than ever before and America is less able to protect Europe than ever before. This is almost found to induce them to start thinking in terms of possibly becoming neutral in this battle - and I think that desire is increased by the fact that the Russians have or will soon have this inter-continental missile whereby they can hit America directly without even going over Western Europe. This is abound to bring about the thought in Western Europe that perhaps they might (up) out of the next war and just leave it to the two giants. So, I think the whole thing creates a trend towards neutrali... (inter.)

SCHOENERUN:

Known as the ... of defense.

MURROW:

Yes.

Well, Ed, I think that right now it makes them want to negotiate, not necessarily to (up) out, but to find some way to negotiate out of the dilemma that they feel that they're in.

MURROW:

Well, Sevareid, since we're talking about allies, and having allies is a relatively new experience for us, they represent a problem too, don't they?

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SEVARED: Yes, I'm afraid Howard has stolen a little of my proposed thunder here but (laughter) we talk all the time and the press is full of talk about the allied crisis of confidence in us. You can turn this around too. There're a lot of worried people in Washington, about their confidence in Europe. Lots of Asians, who used to criticize us for concentrating too much on military power, now criticize us for not concentrating enough and letting the Russians get ahead of us. There are Europeans who seem to want a double-standard alliance, one that will protect them, and also give them an out if necessary. The words in the alliance, if they read it, say, in effect, one for all and all for one. We have not yet sought it out; some of them are.

MURROW:

Well, gentlemen, let's look briefly at the immediate and crucial hazards that confront us, the things that represent an immediate danger. Kendrick.

Ed, from the military point of view, the hazards are very simple. They are the hazards of sudden death and with no place to hide. Because even though it is fantastic to conceive of such a thing, a surprise attack by the Russians cannot be ruled out by our military planners. Every military man must have that as one of the possibilities on his drafting board. The possibility of adventurism, let us say, in the Kremlin, may not be a political factor but it certainly must be reckoned as a military factor or a possible military factor. Then there's the second type of sudden death, let us say accidental death. Somebody will push the wrong button and put us into war. And then there's the possibility that one of our allies might inadvertently or advertently start a scrape somewhere that would involve us in war. Those are the hazards that we face.

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MURROW:

Dan Schorr, what's the immediate danger as

viewed from Moscow?

SCHORR:

Well, I would tend to discount the immediate danger of any calculated surprise attack that Alex mentioned, but I go along with him on the possibility of adventurism in Russia, but only under certain conditions. Looking at it from the Soviet internal point of view, I think there is a possibility of adventurism arising if the squeeze is put too heavily on the present Khrushchev regime, if they're put into the kind of a corner where they feel it necessary to take certain chances as a diversion. I think one small example of that was the trumped up crisis over Syria and Turkey, which happened to come around a time they were having trouble over Marshal Zhukev. I think that kind of danger does exist and perhaps we might have to do something about it.

MURROW:

Sevarcid, what's the immediate danger as you

view it from Washington?

Well, I think the great thing is that this government may not have grasped and may not help the people to grasp the full implications of this profound crisis, which is going to go on for a long time. I think there is another specific thing, Ed, relating to economics. I don't know if there'll be an economic depression in this country at all but we could do things that would produce overseas some of the effects of a depression, that is, — and that concerns this new Congress more than the Administration. We might even put up some tariffs. We may considerably cut the amount and scope of foreign aid spending and technical help and so on. This could have rather serious effects and this would split the present foreign policy down the middle. There was one witness, Ed, at a House sub-committee last week on this

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subject who said if we do this this is like asking one Siamese twin to play the Moonlight Sonata on a ukelele while the other does a jailhouse rock with Marilyn Monroe. You can't ... you can't do it that way.

MURROW:

Kalischer, what's the immediate hazard viewed

from the Far East?

The immediate hazard, of course, is the acci-KALISCHER: dental war, the adventurism which might occur say in the Formosa Straits or in a divided Korea. But I think really the great hazard is the fact that we'll lose the uncommitted nations like Japan and India to communism. If we do we could lose the whole shooting match with a whimper not a bang. India would tip the scales, I think, out of sheer numbers, 360-million people, Japan, because it's got the biggest industrial complex in the Far East, and when you've got that tied up with Siberia and China you have a very formidable complex indeed. And Japan is particularly vulnerable because it's in an export-or-die race for survival. If we raise tariffs, if we cut down Japan's free world market through a recession, Japan must look elsewhere for trade. And I say that we very possibly we can create the biggest ringtailed economic and political crisis in Japan by creating that kind of a crisis.

MURROWS

Leiser, what's the view in Germany?

Well, Japan's not the only place, Ed, where a LEISER: depression could bring catastrophe. The Germans are seriously worried about a danger of a depression and they think that the principal likely source of that danger might be the United States. A depression here would infect all of the European economies. The democracy in West Germany has been growing surprisingly strongly in the ... with its roots in the fertile soil of prosperity. But if the economy went bust, I think

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that all threats about the future of democracy in West Germany would have to be off.

MURROW:

Schoenbrun, what is your view on the immediate

hazard?

schoenerum:

I see two shead, Ed. One we saw at the Paris conference together, that is, the state of leadership of the Western world is extremely precarious. The health of the American President, of course, is a principal cause of concern. As for the German Chancellor, he's, I think, 82-yrs, old next week, and the 38-yr. old French Premier is not likely to grow old in office. If there were a change of regime in France and Germany that could wreck NATO and such a crisis indeed is shead in 1958. France is facing in the Algerian war a crisis that could bring about a Right or a left-wing coup d'etat. Now, gentlemen, don't hold me to this. I don't say it's going to happen. For the first time, however, it is possible. And that's the second hazard, the war in Algeria, which is spreading its flames throughout North Africa and which might well provoke an anti-Christian, anti-Western bloc from the Dardanelles to Gibraltar.

MURROW: And, Burdett, as viewed from the Middle East, what's the immediate hazard to us?

almost every step that we take there. One Western diplomat in Jordan told me recently that the two worst calamities he could imagine happening would be the death of King Hussein and a revival of the Arab-Israeli dispute over the Gulf of Aqaba. Hussein alone holds Jordan together and his death would bring down the pro-Western government of that country. Now, nobody knows when or whether the Egyptians or the Saudi Arabians are going to try to close the Aqaba Gulf to Israel. But we Declassified and Approved For Release 2013/04/30: CIA-RDP67-00318R000100240001-1

do know that neither Nasser nor King Saud has forgotten that issue. If they revive it we will be caught again right in the middle of an Arab-Israeli dispute. There's always the hazard of new outbreaks on the borders of Israel. If there is serious trouble, even trouble short of war, on the Israeli border with Jordan, it will not be long before Jordan slides into chaos. Hussein would find it politically impossible to keep the Syrian Army from rushing to his aid in the name of Arab unity. And in that event it seems certain that the Syrians would not get out again. Finally, there's the danger that if Jordan falls, Amman will then become the base of operations for the Egyptians and the Syrians against their next target, Iraq.

MURROW: Not a very pleasing prospect, is it? Howard Smith, what's the immediate hazard as you view it?

before we got into the Sputnik cloud we were suffering from a black eye called Little Rock. The ugly photographs of white mobs beating up Negroes appeared on the front page of almost every newspaper on earth and I don't think the press abroad was very fair to us. I don't think they noted the fact that in fact we've made a great deal of progress on this problem and I think we still are. They just noticed that the mob did this. And in a world which we have to court for our cwn survival and a world which is two-thirds colored, I don't think we can afford any more Little Rocks.

MURROW:

Well, gentlemen, we've drawn up something of a list of our liabilities and a rather formidable one it is, too, which certainly leaves no room for complacency but after all our posture is not prone, we have very considerable assets and I think it might be useful at this point to try to total up a few of the assets. Why don't

you start. Schoenbrun?
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I think that one of our liabilities is still SCHOLNERUN: our greatest asset and that is NATO. NATO is still the richest, strongest, voluntary coalition of free nations in the world and that's an enormous asset if we can hold it. NATO conducts some two-thirds of the world's trade. Its mines produce more coal than the rest of the world together. Its furnaces pour more steel. Unfortunately, the rest of the world, the Communist world, is using more and more of its steel to build schools. And, for example, although Russia has half as much steel as the United States it's turning out twice as many scientists. That's a very real danger to us. I think that our basic health is sound. I think our assets are very great. The problem is how do we make the best use of them.

MURROW:

Kalischer.

Well, I think Japan, the innate conservatism KALISCHER: of Japan in Asia is one of our biggest assets, because they've got a high standard of living, which we helped them get, and they want to keep it. Surprisingly enough, our big asset in India is Prime Minister Nehru. Now, Americans often feel that Wehru is splitting hairs when the Indian should be out splitting logs. But he is a working democrat who wants to make a modified form of socialism work. I think we have an asset in South Vietnam, which is a little country, but symbolically twenty-two Vietnamese offered to man the first American space rocket once we got it up. And, finally, I think we've got an asset in the fact that China, Red China, is feeling the pinch of paying for the Soviet technical aid program.

MURROW:

Winston Burdett, what are our assets as viewed

in the Middle East?

BURDETT:

Well, Ed, I think we have one big immediate

have?

asset in the Middle East, the United Nations, and that means two things: the personal diplomacy of Dag Hammarskjold and the United Nations Emergency Force, which stands guard at the mouth of the Gulf of Aqaba and in the Gaza Strip. I think that very few people realized last month that for a few days at least, we were at the edge of something very deep during the latest border dispute between Israel and Jordan. Dag Hammarskjold flew out there himself and by what diplomats on-the-scene thought must have been some kind of wizardry, he cleared up the trouble. He's an invaluable asset. Also, there's very little attention given to the job done by the UN Emergency Force. A year ago, I remember, the Israelis were saying . that the UN would be powerless in Gaza, it would not be able, they predicted, it would be unable to curb Egyptian raids across the border into Israel. And many diplomats and many correspondents, including me, were almost equally pessimistic. So, I think it's worth recording, a year later that we were wrong and that the UN force has been worth every dollar that's been spent on it.

MURROW:

Of course, it doesn't have enough dollars for its support at the moment because some nations have refused to pay their appropriations. Dan Schorr, as viewed from Noscow, what assets do we

Russia is the growing desire of the Soviet people for something that I would call normalcy except that it's not normal, at least for some kind of a decent or better life anyway. Forty years after the revolution, I think the flames of fanaticism have damped down and the people are just in a state where they want something a little better and a little relaxation. I think they would like to be as we are accused of being

- complacent. They'd like their chance at complacency too. I think this represents a pressure on the regime. It's one of the reasons why Khrushchev feels somewhat over-committed in his promises of aid to uncommitted countries, his promises of aid to the satellites. I think he's been forced to promise some aid to his own people as well. And that represents a pressure for reduction of the arms burden. It doesn't operate as directly as it would in this country. The seat of power remains in the Kremlin, they're awfully far from the people, but indirectly it's increasing. And one of the reasons it's increasing is that the people aren't so numb or dumb any more. There's been a lot of education. And the education that it's taken to make Sputniks has also produced a lot of thinking. And as the people think they aren't pushed around quite so easily any more. You feel it. You feel it as you travel through Russia.

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MURROW:

Are you suggesting that there might be a revo-

lution of the Sputnik makers sometime?

SCHORR:

Well, I don't want to play with the word revo-

lution, I wouldn't want to suggest that this ... Russia is going to go up

in flames of revolution or counter-revolution very soon. I think in the

terms which you mean it, revolution as a kind of a mental and spiritual

revolution - yes, I think that the Sputnik makers don't like the Communist

gobbledygook. I think they will rebel in their own way in time.

MURROW:

Leiser, what are our assets as viewed from

Germany?

LEISER: Well, in Central Europe Ed., a very strong asset

is a Germany - at least a West Germany that for the first time in this century is not seeking military or political adventure. The Russians may

as Dan has just said be looking for a better life - the West Germans have

got it and they want to keep it. They have a standard of living that is

now beginning to approximate ours and they like it. They have an economic

way of life that is now beginning to approximate ours and they like it.

They are not in a mood to tinker recklessly with events.

MURROW:

Kendrick, what are our assets as viewed from

London?

KENDRICK:

From missile land?

MURROW:

Missile land, alright.

KENDRICK:

I'm with Dave Schoenbrun in believing that

a liability and even a hazard can also be an asset. Now, missile warfare

is still in the future and potentially Soviet missile might could cancel

out our SAC force, but right now, we still possess the power of deterrents.

We have airbases at home and overseas, we have allies, we have a long

distance airforce, we have carrier fleets - and all these, I think serve

to remind the Russians, that whatever war may do to us, it would be suicidal for them. Now, this is a grim and a most horrible asset, but it's still an asset even though it may only be temporary.

MURROW: Dan Schorr, is there much wide spread fear of war in the Soviet Union, would you say?

SCHORR: There is a great deal of fear of war in the Soviet Union. It goes up and down. It reached a new peak just around the time of the Turkish-Syrian crisis. Ah, they are constantly being told that the Russian Government doesn't want war but constantly being told also that we do, and they always interpret that in terms of the intentions of their own Government.

MURROW: Eric Sevareid, why don't you sum up our assets as viewed from Washington.

so the scientists tell us, that with the loss of the protecting oceans we have lost the asset of time, but that's about all, I think. This country is by no means a push over. We have everything else if we use it. We've got the greatest industrial plant in the world and the greatest industrial leaders. We have a wonderful pool of scientists and engineers if their energies are channeled. We have unlimited money though we act as thoughwe're almost broke half the time and I think we have a world record of generosity and good will toward other parts of the world and of non eggression, that honest men cannot really doubt. We have a President that people will still most willingly follow - if he can summon the personal strength and the personal will to give them the lead. We have a great deal.

MURROW: Well gentlemen, we have now at least tried to lay out in general terms our liabilities and our assets. Now, let's go

to the simple problem, something must be done. What should we do? Kendrick.

mean the only thing, but the first thing to do is to catch up with the Russians in missiles. This may not change the fact that the Russians still have or will have the ability to bring our cities under their missiles, but it might at least give us a stalemate in this field of intercontinental missiles and certainly it would do much to restore our confidence and our psychology of leadership. And even though we started five years behind the Russians in the big missiles, a lot of people here believe that we can catch up with them in two or two and a half years, provided of course, they don't step up their pace to much.

Now, another thing we must do is remember that a missiles test is also a test of nerves and we should not magnify the natural misfires and normal failures that you get in testing. Thirdly, I think we should lift the veil of atomic secrecy that still exists between this country and our allies, because only in this way can we further instead of hindering muclear progress and anyway we don't have secrets from the Russians.

But, most of all, I think that we have to change the climate in this country. I think we have to stop being antiintellectual, we've got to recognize that an egg ... that an egghead may be a better investment then a blockhead. However, I wouldn't put all our egg heads in one basket (LAUGHTER) a basket of science, I think they should be spread around in the general field of education.

MURROW: Dan Schorr, what do you think we must do?

SCHORR: Well, I've been listening to Alex Kendrick, and

I'll admit that I'm somewhat depressed. Not so much by what he has said,

as by the emphasis that it seems to indicate. Of course we have to try ... (voice in background) ... and your lucky, (LAUGHTER) although, I don't know, maybe before these missiles start to fly it would be luckier to be in Moscow! Of course, we have to try to catch up with Russia in the field of missiles - that sort of goes almost without saying, but even if we do, and I assume we can in proper time, I'm not quite sure where that leaves us and I think that it omits one opportunity that there is to find some kind of a better and more real solution then just catching up and then keeping pace in means of destruction. You remember a year ago we discussed just after the Hungarian rebellion, the possibilities that existed then for some kind of a deal with Russic to use a crude term. They seemed to be ready then for disengagement and had offered us some kind of a zone ... deneutralized zone in Europe extending five hundred miles both sides of the Elba. They were then off balance and I think the terms for such a deal were pretty good. Now, they've subdued Hungary again, now they have their Sputnike up in the sky and the terms are less good, but I still think there are possibilities for dealing with the Russians and for getting some kind of disengagement in Central Europe. The reason I think so, that the pressures are still strong in Russia. I think they need very badly disarmament agreement. I think this was indicated by the way only this past. week Khrushchev announced a cut in the armed forces manpower based on nothing more substantial then NATO's statement that we didn't want to use force - a statement that NATO had made many many times before. would like to see those opportunities explored. If not, I don't know what's going to happen. But even after we've explored those opportunities and assuming - which I do not assume, that we could get some kind of disengagement, then we really go in for the long haul race - the big competitive co-existance and there it seems to me, we have to catch up

with Russia in those fields of science and education where at the moment they are shead. And there, I just want to make one brief remark based on observations recently in talking to the Soviet professors and science students. Coming home, it seems to me that many Americans put to much emphasis on the price tag attached to catching up with Russia in science, and it seems to me from dealing with them, looking at and listening to Soviet scientists, that their money - the compensation that they get, how well off they are personally isn't the main point. The main point for them is they have the laboratories and the facilities and the opportunity to do the kind of work they love to do and that this work is valued in their society.

SCHOENBRUN:

And they have a status in their society.

SCHORR:

Yes, it is status - a sense of ... of role of

function which everybody values, partly this is I think, because science is a kind of a (wholly) word in a Communist state, but I think science can

be a wholly enough word here - even while preserving other (wholly) things.

SCHOENBRUN:

You'd say they were pro-egghead in other words?

SCHORR:

Yes, they are pro-egghead.

SMITH:

I've heard it said, that part of the incentive

to being a scientist in Russia is the disincentive of being anything else

in Russia. (LAUCHTER)

SCHORR:

There is some truth in that, but I don't think

it tells the whole story.

MURROW:

Smith, what do you think we must do and urgently?

SMITH: Well, I am certainly in agreement with those who

think that our diplomacy ought to be much more affirmative where it has

been negative and should be more supple where its been rigid. In fact,

I don't think we're going to keep our alliance with us unless it becomes

more affirmative and supple, but having said that I would like to agree with Alex Kendrick that our top priority has to be making those new weapons. In respect to getting a disarmament agreement I've covered almost every disarmament conference there has been and I think it's going to be extremely difficult without those weapone. This is a very complicated thought, can I pursue it a little bit,

MURROW:

Please do.

SHITH: The thing that most disarmament talks run up against and stop at - is the fact that Russia has one built in advantage over us - she ... she can launch a surprise attack on us whereas we cannot launch a surprise attack on Russia. Russia can keep secret all the movements it takes to prepare a surprise attack but we can't. They would read about movements in all our newspapers and hear it on the radio and possibly see a little of it on television, so it's very hard for us to do it. Now any disarmament agreement requires a good degree of inspection of each country to make sure the agreement is being kept, and if Russia agreed to that she could no longer launch these surprise attacks. She could lose her greatest advantage.

think as long as we concentrate on this question of inspection, the possibility of a disarmament agreement is going to be very slim indeed. The kind of inspection we want is a kind of inspection that Russians won't let Russians do in their own country and with the underground launching pads and ... and the missiles on submarines, it does seem to me that this question of inspection is getting a bit outdated.

MURROW:

Well then you are saying that there is no real

chance.

SCHORRE

I ... what the Russians want is a lot of things,

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which I don't hope that we will give them, but I do think the approach to the problem instead of an overall disarmament agreement with inspection is, instead of trying to decide to avoid surprise attacks in a clinch, is to try and break out of the clinch - to try to disengage, to try to ...

SEVAREID:

It takes two to try and break out of a clinch.

SCHORR:

Yes. (several speaking simultaneously)

KALISCHER:

Once you have inspection, Dan., how do you know

that any agreement is going to be kept?

You can start with a partial agreement in an area SCHORR: of Europe where you can inspect, but an overall disarmament agreement with inspection in Russia ic just unpalatable to that regime as long as it is Communist and I'm afraid it's going to remain Communist for still a little time.

MURROW:

Lelser, what ... what do you think we ought to

do as viewed from Germany?

Well, Ed., our European allies emphatically LEISER: think that we should start to negotiate and start now. Their attitude seems to be, don't just stand there - say something. Well, if we're to say anything and find out what the Russians real answers are, I think that we're going to have to say it quietly behind closed doors, using the techniques of old fashioned diplomacy. I think we've had enough of Summit meetings, beating of the propaganda drums and the clinking of the martini glasses. I think perhaps an example offers itself in what happened when Russia's Malik and America's Jessup go togather and settled the Berlin blockade - an agreement by the way that has stuck.

(inter.) What do you mean that the Russians KENDRICK: wanted to settle the Berlin blockade, how do you know that they really want to engage in disengagement?

KENDRICK:

Well, they proposed it.

(several speaking simultaneously)

LEISER:

We can only find out by negotiating.

SCHOENBRUN:

Alex, you used to be in Vienna and the Russlans

disengaged from Austria.

KENDRICK:

That's true.

MURROW:

Go ahead Ernie.

LEISER:

Well, I was going to say, that the ... the

technique of negotiation must be the old fashioned diplomatic kind. The substance of negotiation I think, must start modestly. We start small, we don't try and settle all the issues that divide us - perhaps we take one on disengagement, a small issue - a relatively small issue, we discuss the possibility of our withdrawing our troops or at least our atomic weapons to the Rhine and find out how far the Soviets are prepared to withdraw their weapons. I suggest that this is an erea in which the Russians might be willing to permit inspection.

MURROW:

Well, Winston, what do you think we must do

immediately, what is the argent thing we must accomplish in the Middle

East - if we can?

BURDETT: Ed, I think that first priority in the Middle

East must go to achieving or at any rate trying to achieve a settlement

of the biggest single problem - the Arab-Israeli conflict. There will be

profound instability in the Middle East as long as that conflict goes on

and as long as there is this instability there will be no rest in the

Cold War between the Russians and ourselves in the area.

MURROW:

How do you think it could be settled?

BURDETT: Well, we cannot get that settlement certainly

without doing some unpopular things. I think it will take time and that

a year will not be enough. But certainly we will get no where if we go on treating this as the untouchable problem, we've got to make a start and a try. The end purpose of any cettlement of course, must be to get full Arab recognition that Israel is here to stay. But the Israeli's, I think, must face up to the fact that they bear a major responsibility for the nine hundred and twenty-seven thousand Arab refugees. They have to make an unconditional offer to take the refugees back. Now, I do not believe that such an offer would cost Israel a great deal, the refugees - like other Arabs have come to realize - especially since the Israeli invasion of Egypt that Israel is strong and cannot be wiped out. I think that only a small portion of them - even those who owned property in Palestine would want to return to Israel in order to become second-class Israeli citizens. Most of them would probably accept compensation which will have to be provided and would be willing to seek a new life elsewhere. May I ask you something. Why don't the Arab KENDRICK:

KENDRICK: May I ask you something. Why don't the Arab states take back the Arab sefugees since they're the ones who caused them to be refugees in the first place.

BURDETT: Whether they caused them to be refugees in the first place Alex., is a matter of great historical dispute. I think myself, that the Arabs and the Israeli's share a responsibility there. They do not take them back for a political reason. Namely, to perpetuate their grievance against Israel and thereby to perpetuate their argument against them.

SCHOENBRUN:

Alright Wincon, why don't these Arab states use some of their billions and billions of dollars of oil money to do something about taking care of Arab refugees? Why does Israel have to put up all the money?

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but he's a broke billionaire. He's always running out of funds.

SCHOENERUN:

You should be so broke! (LAUGHTER)

BURDETT:

But. I think secondly as part of a general settlement, Israel must give up land - not a great deal of land, but enough to return to Arab rule the Arab villages and farms along the borders and also to end the absurdity of Arab communities being split down the middle by a demarcation line.

Don't you think that any Israeli Government MURROWL that accepted that proposal would be out of office in 24-hours? No. I believe the opposite Ed. I believe that BURDETT: such territorial concessions are a political necessity. I believe that no Arab Government could risk a settlement that did not involve such concessions. I believe that an Israeli Government could. There would be a crisis in Israel, the Government might fall, but I don't believe that this would affect the ultimate stability of Government itself in Israel, whereas, I believe it would follow ... it would lead to a ... a series of breakdowns in the Arab states.

Well, Winston ... your saying ... your saying KENDRICK: the same thing that Dan says, that it only takes one to unclinch. There is a difference ... there is a great BURDETT: difference. Ah, the Arabs are asking various things of the Israeli's, various relatively small practical concessions, I think they would settle. For Israel is asking only one thing of the Arabs, and that is, peace on her borders and full Arab recognition. This, she would have to get out of any settlement. She could not be asked to make these sacrifices in order to get an impermanent settlement and in order for this settlement to be accepted as permanent, there would have to be absolute guarantees of Arab-Israeli borders, in the first instance by the United States and Declassified and Approved For Release 2013/04/30 : CIA-RDP67-00318R000100240001-1

certainly also by the United Nations. Now, I don't wish to imply, I think it would be absurd and dishonest to imply that there are no political risks involved in seeking a settlement of this kind, I think there are risks, there are great ricks, for example, badly handled, this whole project could set off new dissentions among the Arab states, each of which is only to ready to jump on its neighbor with accusations of sell-out to Israel. I think also, that there would be stiff resistance and possibly serious political repercussions in Israel itself. I think though, that Israel could stand up to those repercussions, and the essential political fact here, is that the United States is the only country in a position to bring pressure and to induce the Israeli's to give up some of their fixed old emotional positions.

MURROW:

Of course, the Russians are also in a position to encourage the Arabs in their ambition to wipe Israel off the map.

BURDETT:

This is true, and all the more reason it seems to me that we should try to meet this problem before the Russians try to

exploit it.

Kalischer, what do you think we should do in the

Far East?

MURROW:

KALISCHER: Well, we've got to do something that I think is a thousand times harder then the crash missiles program. We've got to revamp our thinking entirely in regard to about half the world's population, maybe more, the semi-colonial and colonial and former colonial peoples. While we're staring hypnotized at Russia across Western Europe, we're being out flanked in Asia in Africa even in the South Pacific. Now, the present Afroasian Conference is a sort of thing that points this up. The Indonesians have a dispute with the Dutch, they asked us to mediate - we refused, now, they're getting the sort of support that they want from

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the Communist countries.

accomplished?

SCHORR:

Not yet. They just asked for it.

Well, they've asked for it, but you ... well, KALISCHER: they've gotten moral support and this is exactly what President Sukarno said to a visiting Congressman in Jakarta ... (inter) No, but President Sukarno asked our Congressman Saund, he sald, "I don't just want American military and economic aid, I want American political aid," and that, is what he is getting from the Communist countries. We've also got to do something else. We've also got to admit that our China policy is bankrupt. I don't think there is a General in the Pentagon who honestly believes that Chiang-Kai-shek has a China mandarin's chance of fighting his way back to the mainland or that he'd be able to remain on Formosa unless we kept him there. I don't think there is a diplomat in the Far East that thinks that our policy of non-recognition in seven years of economic sanctions is going to bring down the Communist Government. I think we've got to admit what we've got to do what our major allies in Europe and Asia have admitted and do - and that is, recognize the Pelking regime for what it is - the unfriendly, but existing Government of mainland China. We should recognize the Chiang regime for what it is, the friendly and existing Government of Formosa, and then I think, possibly we might try something rather unorthodox like, offering farm products aid to Red China the next time there is a flood or famine. They ... If they accepted, it would mean that Russia could not or would not help, if they refused, it would mean that they would have to explain this to their own people. In either case, we'd get out from behind this wall we're building around China which is really a wall we're building around ourselves. Schoenbrun, what do you think is urgent to be MURROW:

Well, I think we might begin by trying to correct SCHOEMBRUN: those false habits of thought that the President talked about. If our free system is not inherently stronger then the Communist system, then it follows logically that we must work harder, pay more taxes and have more respect for learning. I think to, we should give up some of our own self deluding myths, for example, the illusion that Russia is going to come unstuffed because of internal pressures. Dan Schorr has told us that Russla is likely to evolve, but no revolution in sight. If that's so, we've got to start living with the idea that Russia is going to be around for a very long time, that the competition is not going to end, it's going to grow more intense. I think that's why our allies have asked us to negotiate. Not necessarily a global settlement Ed, personaly, I don't believe that disarmament can be brought about over night. I am more inclined to agree with those of my colleagues who said, that we ought to try to have a series of disentanglements at the pressure points, in the Middle East, in middle Europe - in any specific area or on any specific issue, where we can seek the chances of agreements through normal diplomatic channels. And, finally Ed, if I may say so very briefly, I think we've got to be true to our own faith. We cannot support colonial powers without weakening the moral posture of what we call the 'Free World.' And, when Mr. Dulles tells the American people as he did recently, that our ties of friendship with Spain are symbolic of the links in the Free World, I think he's misusing the word Free World. Let us by all means have alliances with Spain and with Yugoslavia, let's admit, however, that they are alliances of mutual self interest - not of mutual ideology, let's not misabuse and abuse that precious word - Freedom. President Eisenhouer said, that this is a time for greatness. I would suggest it is also a time for facing up to the full truth.

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MURROW:

Eric Sevareld, what do you think we must do? Well, Ed, to put it very briefly, I am assuming SEVAREID: that a control of space over this ... I am assuming that the world leadership and the very fundamental scientific revolution is at stake - a revolution is going to change man's life enormously. Therefore, I believe, so far as this country is concerned, we have to try to go all out. I think there will have to be - whether we like it or not, some Government hand directly on the economy. I think we must get some better control of our dwindling natural resources, some better control of our rather scattered and somewhat misused scientists and engineers. Surely, we've got to get at this shockingly delayed problem of an obsolescent educational system, we may even need a bigger Army for more flexible military policy around the world. If all this means higher taxes, then so be it. I think most of us would rather be broke then dead - though sometimes the Government

MURROW:

Well gentlemen, would any of you like to sum up

this discussion. (LAUGHTER)

SEVAREID:

Would you?

MURROW:

Well. I'll try and if you have disagreement at

any point by all means speak up.

seems to have some doubts about it.

It seems to me there are certain things upon which you gentlemen are in complete agreement. First of all, you all agree that our lack of leadership is showing. That some of our illusions have been shattered and that many of our allies have become disillusioned. You agree that our allies are determined, one, to talk with the Russians and two, perhaps to do business with them. That they are not impressed with our belief - widly held, that the Russians are going to collapse from internal pressures. You also appear to believe that if we persist in our self right-Declassified and Approved For Release 2013/04/30: CIA-RDP67-00318R000100240001-1

eous, inflexible policy - matching bomb with bomb, missile with missile, threat with threat, that then within measurable course, we in this country may find ourselves, merely a great continental island off the coast of Kamchatka with the rest of the world either united against us or wholly indifferent to our fate. It seems that you also agree that we must somehow disenthrall ourselves and learn not only to think a-new, but to act a-new, and I have also the impression that none of you believe, that death in defense of a balanced budget is a proper way for free men to die. You all seem to feel that the President posed the question properly in Paris when he said, "what will we pay in freedom for freedom," but, that he has not yet made much progress in enswering that question. You've cast up, what I would call a rather ominous balance sheet, yet somehow, I find your discourse rather optimistic. None of you suggests, that humans having devised a method of destroying humanity will now proceed to use it. None of you mention the phrase, preventive war. Several of you stressed the fact, that the free world is richly endowed with men, metal, machines and money and that what is required is a call to sacrifice, which according to Severeld, would be promptly enswered by the people of this country. Dan Schorr certainly made it abundantly clear, that the Russians have their own problems frequently well concealed, but they are certainly not nine feet tall. Most of you, I have the feeling - although you didn't say it, have rather the sense that this is the best of all possible times to be alive, because never before have the stakes been so high. Never before have the actions and the decisions of this country been so important. . And, I think you also - most of you had the feeling, that if we spend to much time debating the past we may lose the future.

Thank you very much gentlemen, and good health and good news. Good night and Good luck.

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ANNOUNCER: This has been the ninth edition of YEARS OF CRISIS, an annual report by Edward R. Murrow and other CBS NEWS correspondents from the important news centers of the world directed by Don Hewitt.

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