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12

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CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

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INTERNATIONAL ORGANIZATIONS GROUP

WEEKLY SUMMARY NO. 12

For week ending 22 March 1949

Volume II

The International Week

Lebanon and Israel have agreed to an armistice, while Syria consented to open negotiations with the PGI. ECOSOC closed its eighth session after numerous meetings fraught with East-West differences. The Security Council's "neutral" committee admitted failure in the Berlin currency negotiations. The Wheat Conference ended after drafting an international wheat agreement. Fleet Admiral Nimitz accepted appointment as Kashmir Plebiscite Administrator. Publication of the Atlantic Pact text has elicited an initially favorable reaction from the non-Soviet world, but the Soviet bloc and its Communist party stooges have sharply attacked it as undermining the UN and as an aggressive move toward war.

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Initial Reaction to "Point Four"

The broad concept of technical assistance to underdeveloped countries, set forth in the President's inaugural address, was welcomed with enthusiasm throughout the non-Soviet world. Initial reactions, although necessarily general in content because of uncertainty about the exact scope of the program, indicate that the most common approach to "Point Four" will be an attempt to turn the emphasis of the program from technical to financial assistance on the order of ERP.

Latin America: Chile has taken a prominent part in UN Economic and Social Council (ECOSOC) discussions of technical assistance and economic development and has been quick to inform the US of its interest in these problems. The Chilean president has assured just, non-discriminatory treatment of private foreign capital, but has stressed the point that the basic type of development projects required could be undertaken only through government-to-government financial aid. He also warned that continued pro-US, anti-Communist orientation in Chile might depend on the improvement of living standards (presumably with US dollars). Ecuador, Paraguay, Nicaragua and Haiti have also expressed interest in "Point Four," while Brazil has stressed the importance of financial, in addition to technical, assistance.

Near and Far East: The most positive attitude of any Asiatic nation has been that of Lebanon, whose ECOSOC representative raised the problems of promoting the international flow of capital and assuring freedom from political strings, while emphasizing the need for action rather than mere planning and for financial contributions "on the governmental level and

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inspired by the principles of the European Recovery Program." Egypt has also indicated the necessity of applying the "Marshall" approach to the Middle East.

In India there is widespread interest in "Point Four"; however, because of the feeling prevalent among many Indians that it is the "duty" of the United States to grant India financial, technical and material aid, the Indian ECOSOC representative expressed considerable disappointment in what he considered the vague nature of the US-sponsored ECOSOC resolution. Turkey, Iraq and Syria have voiced varying degrees of interest in the President's plan and in Ceylon there has been a reversal of the Government's policy of opposition to outside financial assistance. In the Far East, Siam has evinced serious interest in "Point Four" while senior civil servants and educators in Burma are anxious for outside help from the US or other sources.

USSR and Satellites: Although the Slav states voted against both ECOSOC resolutions on technical assistance and economic development, the USSR has so far taken a cautious position toward the "Point Four" program, limiting its official comments to general approval of economic assistance if it promotes national development toward independence and the development of domestic resources and is not made contingent on political, economic or military demands. This initially mild and reasonable approach probably reflects a wait-and-see attitude pending final formulation of the Kremlin line and in no way impairs Soviet capabilities of attacking the final form of the US program as merely another facet of US "capitalistic imperialism." The Polish ECOSOC representative has indicated the most probable future Soviet line by his bitter denunciations of the program as a US scheme designed to shape the "American Century" through political maneuvering, profiteering and espionage.

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Palestine developments. With Lebanon and Israel about to sign an armistice while Syria has at last agreed to negotiate, the trend toward stabilization of the Palestine conflict is apparently continuing. The most serious of the remaining difficulties concerns the Israeli demand for a rectification of the frontier in Samaria. There the partition boundaries leave Israel with a narrow coastal strip, in some places only eight miles wide. The Israelis have recently been conducting a war of nerves in this area -- playing up Arab raids in the press and concentrating troops -- in what is evidently an attempt to frighten Abdullah into granting concessions. Israel wishes the tracks of the north-south railroad line to run entirely through its territory and to incorporate Tulkarm. It appears that if Israeli demands are reasonable, Transjordan may be prepared to make some accommodation.

Another point at issue is Jerusalem where the Israelis want an arrangement assuring them of ultimate title to the new city, thus forestalling an internationalization plan. Meanwhile, the UK and possibly France are taking concrete steps to support the Arabs as a means of making clear to the Is-

- 2 -

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raelis that some limit must be imposed on their adventures. Israel will probably continue its characteristic bargaining technique of stepping up the pressure behind its demands to the critical point of negotiation and only receding somewhat at the last minute. Following such a tortuous course, an armistice should eventually be achieved in Palestine.

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The Mindszenty case. Bolivia's decision to put the Mindszenty case on the agenda of the April General Assembly makes it unlikely that UN debate on this question can be avoided. The US feels that, in accordance with Article 33 of the UN Charter, it must exhaust the remedies under the Satellite peace treaties before it can take any UN action (see IOG Weekly No. 7). The Latin American UN delegations, however, have decided to take some UN action independently of the Satellite peace treaties to which they are not parties. Australia, too, has asked for GA consideration. An opportunity can arise under the pending Hungarian application for UN membership. Nevertheless, it is doubtful if material is available to meet the inevitable Soviet counter-charges and no result other than propaganda can be expected.

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IOG Notes

ECAFE may seek prominent part in "Point Four." At its forthcoming Bangkok meeting the Economic Commission for Asia and the Far East may attempt to carve out for itself a prominent role in the implementation of President Truman's proposal for assistance to underdeveloped areas. The Department of State is attempting to forestall such action, which it considers to be premature pending full consideration of this problem at the July session of ECOSOC.

US position at HFB Conference improves. The US has strengthened its position at the Mexico City High Frequency Broadcast Conference by calling the Soviet bluff on threatened withdrawal. Previously apprehensive delegations are now less concerned over a possible Soviet walkout and will be encouraged to back the US in opposing exorbitant Soviet demands.

Netherlands and WFTU. The Dutch Federation of Trade Unions (NVV), which recently approved withdrawal from the WFTU, has urged the establishment of a new, independent labor international in the shortest possible time. This move reflects the urgent desire of the Benelux trade unions to see the non-Communist labor organizations of Western Europe and the US present a united front against the expanding WFTU drive for control of world labor forces, particularly in colonial and dependent areas.

- 3 -

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Sobolev's return doubtful. UN Secretary General Lie reportedly doubts that Soviet national Arkady Scholev, Assistant Syg in charge of Security Council affairs and reputed chief Kremlin agent with the UN, will return to his post. Sobolev's failure to return and Soviet failure to replace him (as recently occurred in the case of five other Soviet UN employees) would leave the USSR with few nationals on the Secretariat and force it to rely more and more on the activities of Satellite, fellow traveling and Communist Staff members for espionage and sabotage of UN activities.

- 4 -

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