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INTERNATIONAL ORGANIZATIONS GROUP

WEEKLY SUMMARY NO. 32

For week ending 9 August 1949

Volume II

The International Week

The Council of Europe, meeting in its inaugural session at Strasbourg, elected Greece, Turkey and Iceland to membership. The UK request for \$400 million dollars additional ECA aid this year and a prospective ten percent Congressional cut in overall ECA funds have raised a chorus of protests from continental countries facing a consequent substantial reduction in aid. The SC will probably lift the Palestine arms embargo as a sequel to its present consideration of Mediator Bunche's report.

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A Concern over cuts in ECA aid. Faced with a likely cut of 10 percent in this year's ECA appropriations and with the UK request for an additional \$400 million aid allocation, the continental Marshall Plan countries are gravely concerned over the prospect of substantial reduction in their 1949-50 ECA aid. Austria, Italy and the Netherlands have already protested that prospective cuts may well undermine their ability to achieve their ERP targets by 1952 and other countries are expected to follow suit. Under these circumstances, the division of this year's aid, the most important issue now before the OEEC, will place a severe strain on that organization. Each country, in seeking to secure for itself the largest possible share of ECA assistance, will be prone to attack sharply the requirements of other recipients, and the UK, in particular, is certain to come under heavy fire. While a cut in ECA aid will require modification of many recovery program items, it will also prove a beneficial influence in forcing the ERP countries to take a more realistic view of their dollar problem. In particular it may lead to: (1) still greater emphasis on meeting import needs from non-dollar sources; (2) renewed efforts toward integration of the various commodity programs to eliminate duplication and uneconomic production; (3) increased pressure on high cost producers to achieve more competitive prices and thus stimulate exports; and (4) further steps to expand intra-European trade.

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A ECOSOC discussion of Point Four. UN Economic and Social Council discussion of the proposed technical assistance program has revealed disappointment on the part of underdeveloped countries and hostility on the part of the USSR. Most economically retarded nations urged that the financial rather than the technical assistance aspects of the program be given greater attention. Lebanon and India expressed disappointment at the small scale of the US-proposed program and joined Latin American members in stressing the great need for foreign capital. A Brazilian statement that capital should be supplied primarily by governmental loans and credits, rather than through private investment channels as favored by the US, undoubtedly reflects a viewpoint which will be echoed more frequently by other underdeveloped countries as the program develops.

The USSR, placed in the unfavorable position of opposing a plan with an inherently wide appeal, attempted to draw a sharp distinction between any UN economic development plan and the US Point Four program. Thus, while paying lip service to the concept of assistance to underdeveloped countries, the Soviet delegate bitterly attacked Point Four as but another method of capitalist exploitation designed to alleviate the US recession and to wrest control of dependent areas from the old and now enfeebled powers. A second tactic utilized by the USSR was delay and obstructionism. The Soviet delegate proposed that the UN program be referred to the ECOSOC regional commissions for consideration and that overall control be loose and decentralized. The Soviet Union, recognizing the potential danger to world Communism represented by Point Four but also the unfavorable effect of an open attack on such a popular program, is thus moving cautiously to subvert it by sowing suspicion of US motives and by seeking to forestall the development of centralized administrative machinery capable of producing concrete results.

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Soviet tactics in the Palestine case. While recently playing a relatively unobtrusive role in the Palestine case, the USSR has consistently exploited every opportunity to add to confusion and unrest in the Holy Land. There are multiplying indications that a deal is in the offing whereby Israel will transfer title to the Orthodox Russian Church properties in Palestine to the USSR in return for Soviet support for Israel's claim to New Jerusalem. The church properties would give the Kremlin an additional foothold in Palestine for espionage and propaganda. Furthermore, the USSR would be only too glad to block achievement of the Vatican's desire for an internationalized Jerusalem. While France and some Latin American countries are the special champions of an internationalized Jerusalem, neither the UK nor the Arab states feel

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too strongly about the issue. Under such conditions, Slav bloc opposition to a general internationalization of Jerusalem might prove decisive in the GA.

Meanwhile, Soviet SC delegate Tsarapkin, in seeking to broaden the French-Canadian proposal to lift the Palestine arms embargo, not only urged withdrawal of all UN observers from the area but favored abolition of the Palestine Conciliation Commission, well aware that it is US-dominated. Adoption of these proposals would virtually withdraw the UN from Palestine, clearing the way for direct Arab-Israeli talks. This would suit Tel Aviv to a tee by permitting Israel to bring, without outside interference, its present military superiority over the Arabs to bear on the negotiations. These Soviet moves indicate that the Kremlin still sees in Israel a disruptive force in the Middle East which it can use in creating that confusion on which Communism thrives.

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French and British aims in Palestine refugee aid. Both France and the UK may seek to utilize the Palestine refugee resettlement program to expand their influence in the Near East. The French have already manifested a desire to assume financial and administrative responsibility for resettling Arab refugees in the Syrian Jezirah as an entering wedge for reestablishing their former sphere of influence in Syria and Lebanon. Subsequently the British Foreign Office suggested that it favors a dual function for its candidate for deputy on the PCC refugee survey group, Sir Desmond Morton, whereby he would, while serving the PCC, retain his Foreign Office status and supervise the UK-financed Jordan projects. The US, to forestall such use of the refugee program, prefers entrusting its execution solely to UN organs, regardless of the source of the contributions. Syria, suspicious of French intentions, shares the US view that unilateral French administration of the program in Syria would be undesirable.

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Hawaiian strike isolates westcoast longshoremen and may lead to Pacific Basin maritime organization. The threat of Harry Bridges' Longshoremen's and Warehousemen's Union (ILWU) to retaliate against Hawaiian anti-strike legislation by blocking the movement of government-worked ships to the US west coast has sharpened the conflict between the ILWU and its parent organization, the CIO. Their differences, hingeing chiefly on international policy, particularly on the ILWU's determination to stay in the WFTU, will probably end in the expulsion of the powerful westcoast union from the CIO this fall. Expelling the ILWU would remove a major challenge to CIO's international leadership and check the inclination of other US leftwing unions to join WFTU industrial departments.

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Bridges' usefulness to the Soviet-led WFTU, however, would not cease with his anticipated deportation and the expulsion of the ILWU but would merely be transferred to other sectors. As president of the WFTU International Union of Longshoremen and Maritime Workers, he would probably take a more active hand in Far Eastern labor matters and would be able to call the conference of Pacific Basin trade unions demanded by his Hawaiian workers at the last ILWU convention. He would also be in a position to assume personal direction of any maritime strikes which the Marseilles-based WFTU Longshoremen's International might organize in the Mediterranean area.

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"Peace partisans" will employ new strategy at Mexico City Peace Congress. The American Continental Congress for World Peace, scheduled for 5-10 September in Mexico City, will afford the Communist-sponsored "Partisans of Peace" movement another opportunity for a "popular" demonstration against US "imperialism" and, more specifically, the Atlantic Pact and Military Aid Program. Unlike the New York and Paris "peace congresses," however, it will not be attended by delegations from outside the Americas whose presence might prejudice the success of the meeting. Since the earlier congresses, the movement's Permanent Committee in Paris has apparently revised its strategy. Latin American Communists participating in the Paris Peace Congress reportedly reached secret agreement that the Mexico City meeting should be confined to delegations from the Western Hemisphere. Their decision, confirmed by recently published lists of prominent US and Latin American "sponsors," suggests that the Communist organizers of the movement have decided, at least for the present, to soft-pedal international coordination of the peace congresses and to stress instead the improvement of relations with the USSR and the strengthening of local Communist front organizations.

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