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In a propaganda counteroffensive against the USSR, the US has called on ECOSOC to investigate slave labor in the USSR. Previously the SC rejected another Soviet propaganda attempt to revive its proposals for atomic energy control and disarmament. Meanwhile it appears likely that both the Atlantic Pact and the Mindszenty trial will show up in one form or another as East-West issues in the UN. Both Korean regimes have applied for UN membership but their rejection seems certain.

** The Mindszenty case. No legal attack on Hungary's conduct in the Mindszenty case, whether utilizing the UN or the machinery provided in the Hungarian peace treaty, may be expected to produce any practical result other than propaganda. In the SC, the only UN organ with any power of action, a Soviet veto would be a foregone conclusion. There is already considerable Latin American pressure to raise the question in the UN Economic and Social Council, but action by either the GA or ECOSOC is limited to recommendation. The peace treaty procedure offers the advantage of enabling a complainant to obtain a non-unanimous decision which, on paper at least, would bind Hungary. On the other hand, the peace treaty provides for a three-member commission with a neutral umpire (named by the UN Secretary General if the parties cannot agree) which, through majority vote, is empowered to render a legally binding decision. This commission could act on a complaint that Hungary failed to heed Article 2 of the peace treaty obligating it to observe fundamental human rights and freedoms. While the USSR would block the execution of any commission decision, the very existence of a binding adjudication condemning Hungarian justice would serve to rally Western opposition to Communism. Moreover, subsequent to Hungarian defiance of such a decision, the Mindszenty case could be laid before the UN and could then be more effectively exploited for its propaganda value. [**Furthermore, a strong UN resolution might act as a restraining influence on other Eastern European countries and serve as an indication of continued Western concern for the welfare of the people of those countries.**]

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Atlantic Pact in the UN. While there have been no indications so far that the USSR intends to make a major issue of the Atlantic Pact in the UN, as opposed to outside propaganda means, it could nevertheless derive considerable propaganda advantages therefrom while risking nothing. The USSR could confine itself to citing the Pact, along with other alleged aggressive acts, as evidence for backing an omnibus charge that the US and UK are plotting an imperialist war. The Kremlin might go further, however, and introduce a resolution in the SC or GA specifically condemning the Pact as a Charter violation. It could claim that the Atlantic Pact is aggressive in purpose and thus is a threat against the political independence of other countries in violation of Article 2(4) of the Charter. The USSR could also question whether the selection of Pact members follows any truly regional criteria as envisaged in Chapter VIII of the Charter and could charge that it represents only a step toward the encirclement of the new democracies. While as a practical matter the UN would be certain to reject such contentions, the USSR might nevertheless win a few propaganda skirmishes and shake the resolve of some prospective members.

Reopening of Trieste question. The recent Soviet request for an SC re-hearing on the appointment of a Trieste governor, although unlikely to result in his selection, probably indicates that the USSR is as yet unwilling to abandon its objectives in Trieste merely because of the rift with Tito. The USSR may be willing to accept a Western candidate in order to facilitate creation of an international regime and to force withdrawal of Allied troops, thus paving the way for an eventual Communist coup. Should, however, selection of a governor prove impossible despite Soviet concessions, the USSR, having played to the hilt its role of staunch advocate of treaty commitments, may attempt to further its "peace offensive" by suggesting that Trieste be divided between Italy and Yugoslavia along zonal lines. Although this proposal would not match that made by the US, UK and France in 1948, it might prove acceptable to Italy and Yugoslavia.

✓ ** Settlement on German dismantling stalled. **Prospects for an early agreement on the retention of industrial plants in Germany are fading as a result of disagreement between the US and UK over linking this issue with that of prohibited and restricted industries. The US is unwilling to seek agreement on the dismantling question by granting concessions on prohibited and restricted industries since the latter problem involves basic decisions on the future structure of the German economy, the extent and duration of Allied control and the pattern of European recovery.** The need for an integrated overall US, UK, French approach to the German problem is constantly being pointed up by differences on individual problems such as dismantling and prohibited and restricted industries.

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✓ Critical stage at Geneva Loran conference. US efforts to extend the use of Loran (long range radio navigational aids) in the Northeast Atlantic Area beyond the 1 July 1949 deadline have met major obstacles. High level approaches were made by the US to secure French support, but the resultant governmental agreement is apparently being ignored by the French delegation at Geneva; similar approaches to the Scandinavian countries have produced no results. The continuation of Loran, especially in event of emergency large-scale aircraft movements, is of strategic importance to the US, and its apparent inability to secure wide support at the conference seriously threatens its position. Moreover, the reported Soviet intention to propose that any decision on Loran should be unanimous seems to offer the USSR an excellent opportunity for blocking acceptance of the US plan.

✓ "Point Four" and propaganda. ECOSOC, the logical forum for discussion of President Truman's proposal for technical aid to underdeveloped countries, will probably be the scene of concerted Soviet bloc propaganda attacks upon technical assistance as but another euphemism for "dollar diplomacy." This issue will put Soviet propaganda skills to a severest test, for the Soviets, as the self-styled protectors of colonial peoples, will be placed in the rather embarrassing position of opposing measures designed to bring progress and higher standards of living to "backward" areas. The skillful handling of "Point Four" by the Western Powers could furnish the weapon for wresting the initiative from the Soviets in the propaganda battle over colonial issues.

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UN "on the spot" in Indonesian case. Caught between continued Dutch evasion of the Security Council's 28 January resolution and pressure from the Republic and its Asiatic supporters, the UN and with it the US is "on the spot" in the Indonesian case. As the first deadline for reporting "progress" in establishing an interim government passed, the Dutch were still reeling from a recent cabinet shake-up over Indonesia, while the Republicans continued to insist on full implementation of the SC terms prior to opening negotiations. If the cabinet changes at The Hague should soften the Dutch attitude toward restoration of the Republic, then successful conclusion of negotiations between the Dutch-backed Federalists and the Republicans is still possible. An SC decision to "string along" with the holding of the all-Indonesian talks, particularly with Republican approval, might succeed in putting off the restive Asiatic states. The Republicans, however, may find the plan to retain Dutch troops and the Royal High Commissioner in the islands unacceptable, notwithstanding a nominal transfer of sovereignty well in advance of the SC timetable. Should the Republicans find the Dutch-sponsored terms less desirable than those of the present SC resolution, or should the Dutch revert to their past intransigence, the Asian conferees will once again become indignantly vocal. The resultant pressure would force the SC to resort to concrete enforcement measures or completely forfeit Asian confidence.

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